

Report of the Chief Financial Officer

1. INTRODUCTION

It is with great pleasure to present the annual financial statements of Moses Kotane Local Municipality for the year ending 30 June 2016. These annual financial statements were prepared in full compliance with the provision of the generally recognized accounting principles which ensures comparability against prior years

2. Performance highlights

- ☐ The municipality managed to pay 99% of its creditors within 30 days upon receiving the invoice with exception of NWDC which is under litigation.
- ☐ The Municipality generated and maintained a healthy surplus of R119939 Million.
- ☐ All the financial related commitment were honoured.
- ☐ The municipality has improved the record keeping system resulting in the continuous improvement in audit opinion each year.
- ☐ Prior audit exception in relation to finance was reduced by 73%.
- ☐ Section 71 and 72 reports were completed and submitted timeously in all reporting periods.
- ☐ The Adjustment Budget was completed and approved on time while all targets were met with the tabling and approval of the 2014-2015 Budget and MTREF. At this point in time all budget related reports and returns has been submitted to National Treasury while the Annual Financial Statements were completed and submitted to the Auditor-General on 31 August 2016.
- ☐ The Integrated Development Plan was totally revised and aligned with the Budget for 2015-2016 and the MTREF for 2015-2016/2016-2017.
- ☐ The municipality for the first time improved its MIG spending considerably

Report of the Chief Financial Officer

3. Our commitment

Improve Financial Viability

Moses Kotane Local Municipality remains committed to prudent financial management by strengthening the balance sheet , tightening the credit control and debt management policies and continued improved revenue collection or enhancement strategies. This is evident to the fact that the municipality has accepted assistance by DBSA and Anglo American to cleanse the billing data, metering, assist with water conservation and demand management to reduce the water losses, and aligning billing information with the updated surveyor general information to increase the revenue base.

Clean Audit Opinion

Despite the municipality having received a qualified audit opinion in 2014/15, the municipality is committed to achieve a clean audit opinion by addressing the following issues:

- Compliance to SCM to reduce the unauthorized, irregular, fruitless and wasteful expenditure
- Capacitate the asset management unit to ensure a continuous update on the fixed asset register and testing the impairment on time.
- Capacitate the SCM unit with regard to contract management.
- Implement the system that will recognize all the creditors to avoid prior year payments/corrections each year.
- Improve internal relationships with water department to improve the metering internal controls and other trading related services department (i.e. town planning and housing), to ensure completeness in the billing database.

Report of the Chief Financial Officer

4. REVIEW OF OPERATING RESULTS

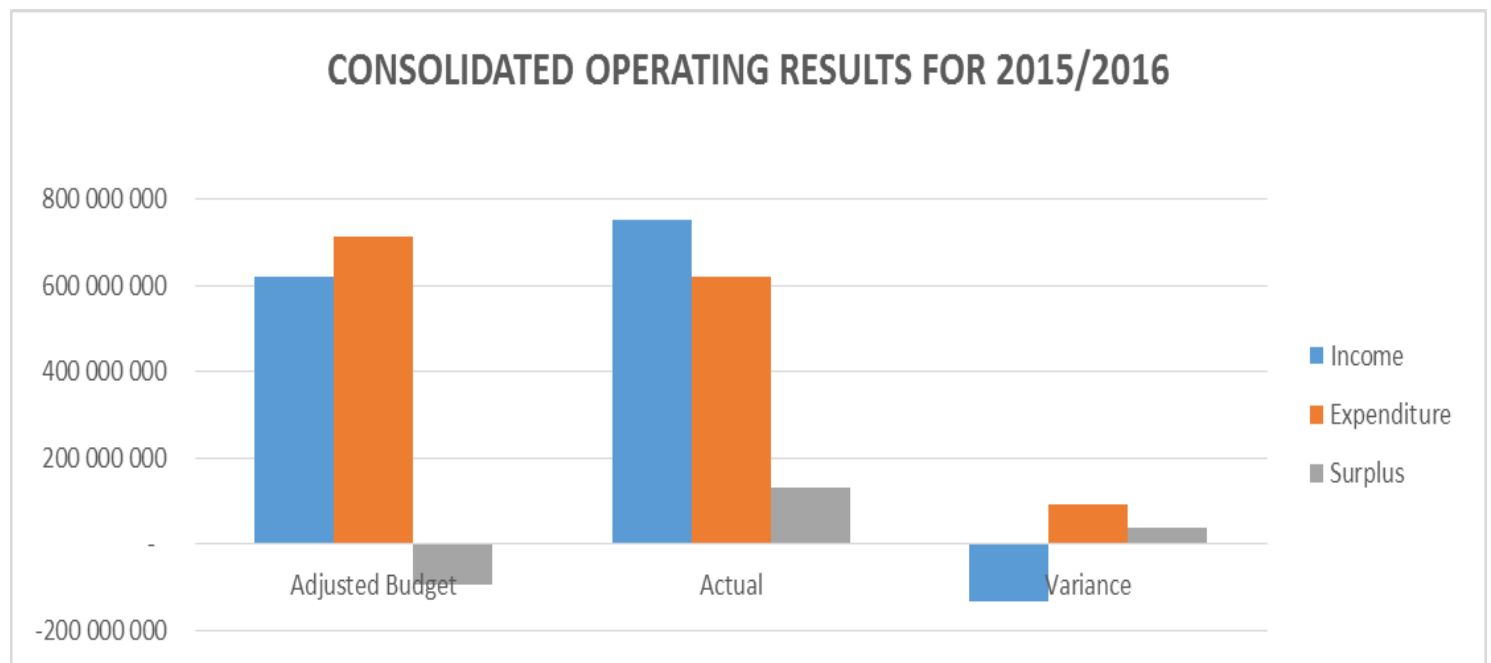
4.1 Operating Results 2015/2016

The municipality has generated a healthy surplus of R119 939 million which has increased by 6.4 % as compared to the previous financial year R78 603 million. The decrease was mainly due to the fact that the main streams of water supply continued to be dried even in the year 2014/2015 e.g. such as boreholes dried up during spring period which forced the municipality to circumvent the situation by employing the water tanker services to the affected residents. The Municipality also procured a fleet of R± R35 million which includes five water tankers, electrification of unit 5 as well as completing other programs not covered by MIG

Report of the Chief Financial Officer

Consolidated Operating Results 2015/2016						
Details	2016				2015	
	Adjusted Budget	Actual	Variance	% Change	Adjusted Budget	Actual
Income	-619 501 605	-745 954 511	126 452 906	16.95%	-517 867 431	-660 372 909
Expenditure	711 703 507	625 397 979	86 305 528	13.80%	597 422 000	577 695 497
Surplus	-92 201 902	120 556 532	-212 758 434	(176.48)	-79 554 569	-82 677 412
Gains and losses	-	-616 892	-616 892	99.95%		4 074 170
Surplus	-92 201 902	119 939 640	-27 737 738	23.13	-79 554 569	-78 603 011

The analysis below shows that the municipality raised the revenue higher than the budget and on the expenditure it made savings which resulted in the surplus.



Report of the Chief Financial Officer

5. OPERATING INCOME

The operating revenue has increased by R85 582 million which is as compared to the prior year operating revenue [2015- R660 392 909: 2016- R745 954 511]

Out of the actual income of R745 million Government grants contribute 61.64%. This analysis clearly shows that the municipality is dependent on grants for its survival. This municipality contains 105 villages (deep rural) and two township which makes it difficult to collect the revenue.

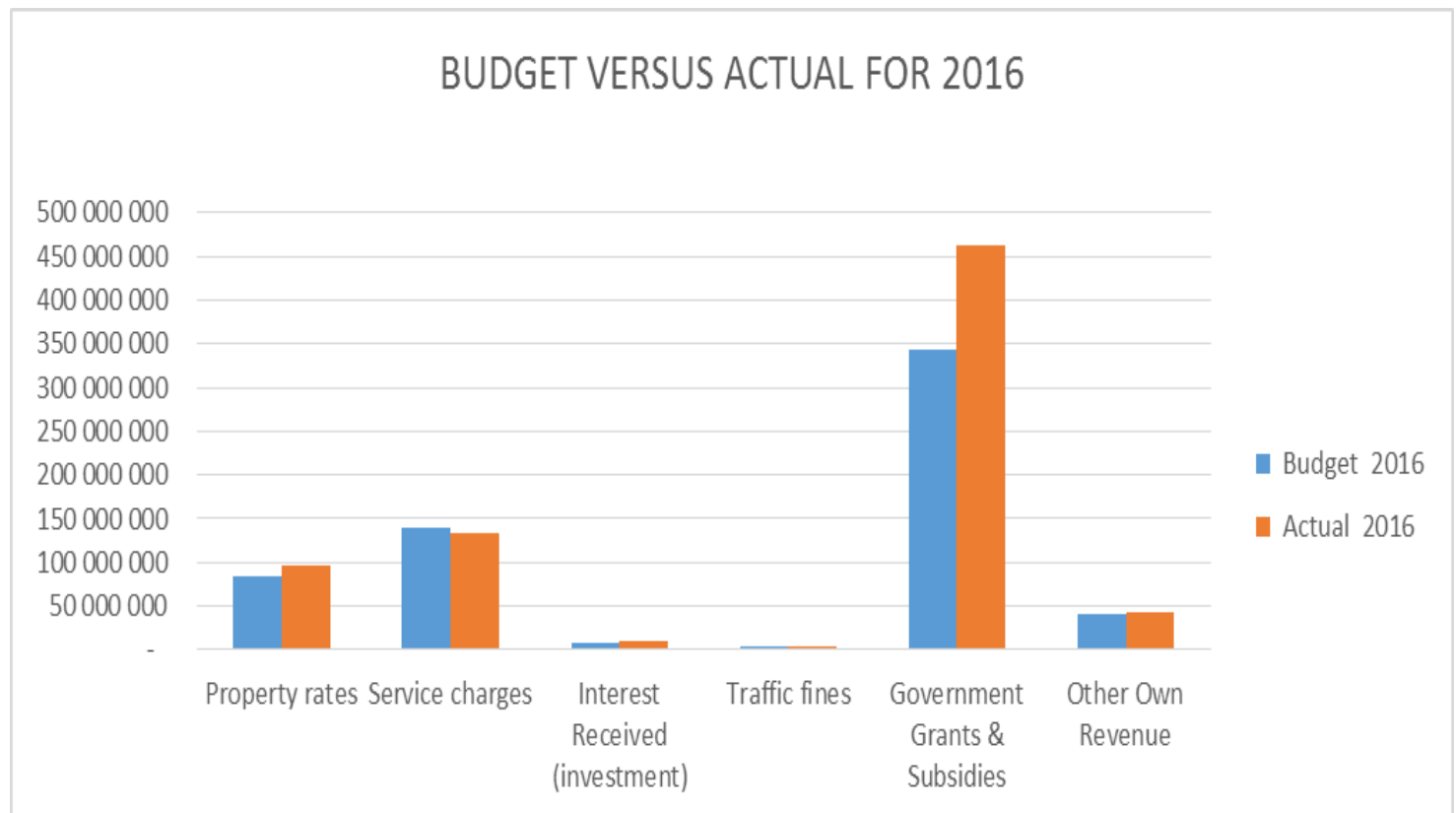
The analysis below shows a remarkable improvement in terms of the capital grants spending, thus service delivery to our people. In addition the municipality managed to achieve its budget target on the revenue refer to item 6 below. Despite the improvement the municipality did not achieve its target on the traffic fines revenue due to the fact that the system was only purchased at year end.

INCOME	Budget	Actual	Variance		Percentage Composition	Actual
	2016	2016	2016			2015
	R	R	R	%		R
Property rates	85 164 112	97 112 317	11 984 205	13.75	13.02	65 624 393
Service charges	139 442 982	127 220 267	12 222 715	22.51	17.05	127 220 267
Interest Received (investment)	8 000 000	10 497 271	2 497 271	1.29	1.41	33 161 846
Traffic fines	3 000 000	4 642 651	1 642 651	0.48	0.62	1 204 300

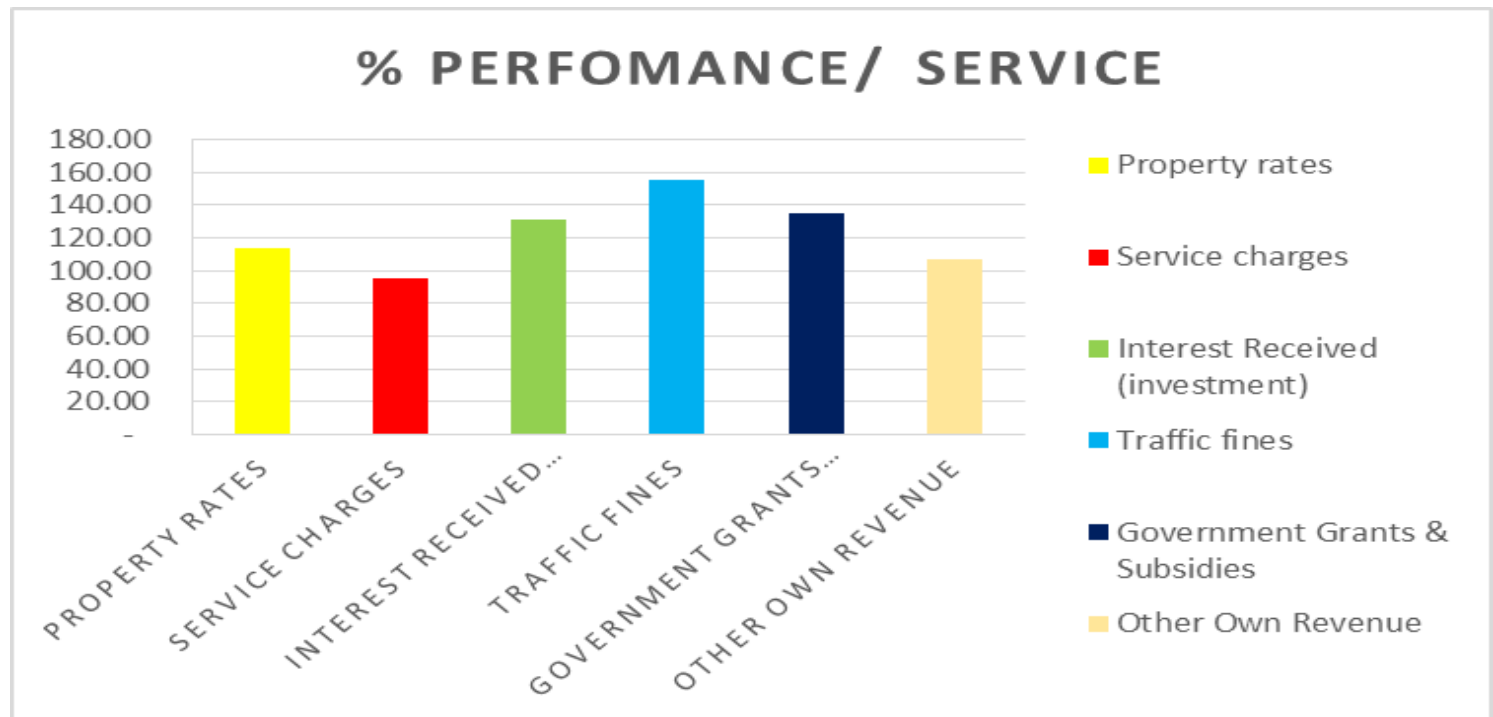
Report of the Chief Financial Officer

Government Grants & Subsidies	343 304 011	463 233 033	-119 929 022	55.42	62.10	431 618 736
Other Own Revenue	40 590 500	43 248 973	-2 658 473	6.55	5.80	1 247 822
Totals	619 501 605	745 954 511	-126 452 906	100	100	660 392 909

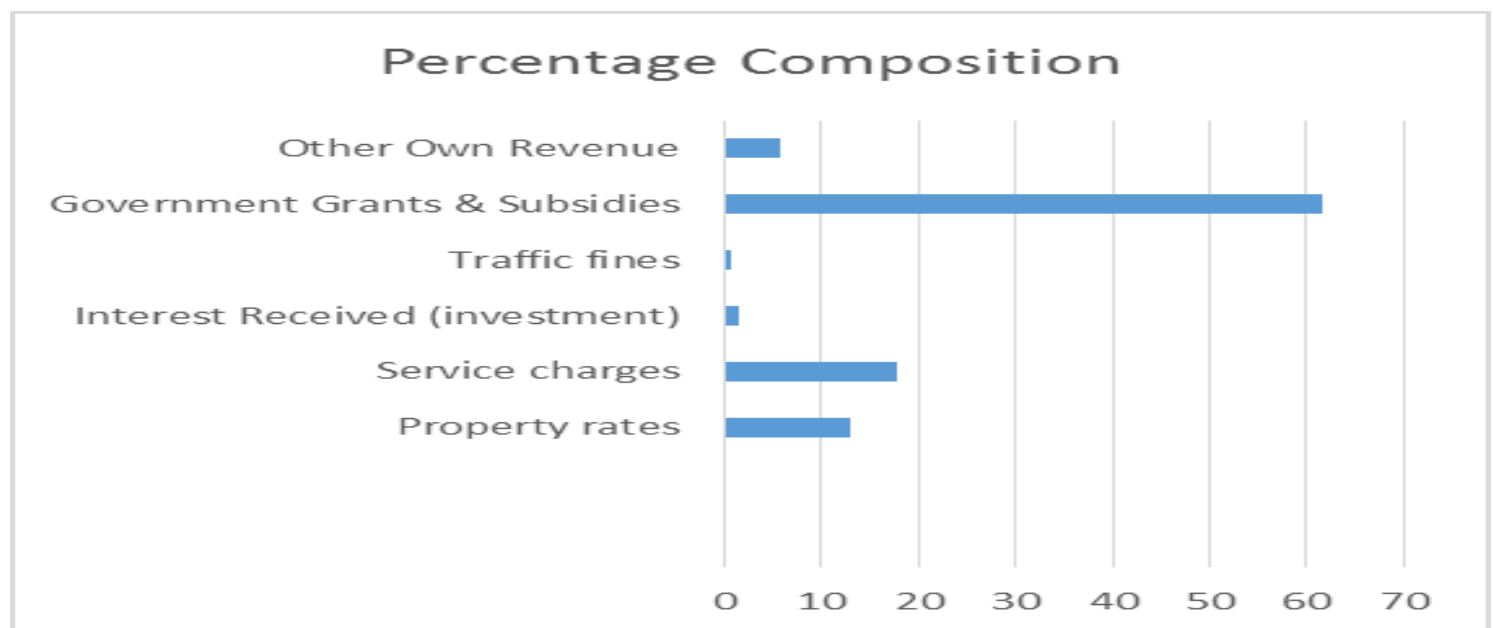
NB: From the above analysis government grants performed more than the budget due to the roll over that we realized, Property rates performed 114%, Service charges 95.20% and the traffic fines reported 154.76% this is due to the fact that a provision for the contribution to traffic fines exceeded the actual budget and the municipality noticed a collection of below 1% hence a higher contribution to doubtful debts.



Report of the Chief Financial Officer



NB: The illustration below clearly shows that traffic fine revenue raised exceeded the highest expectation, the municipality needs to improve its internal controls to ensure that this revenue is collected efficiently.



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6. USER LEVIED CHARGES:

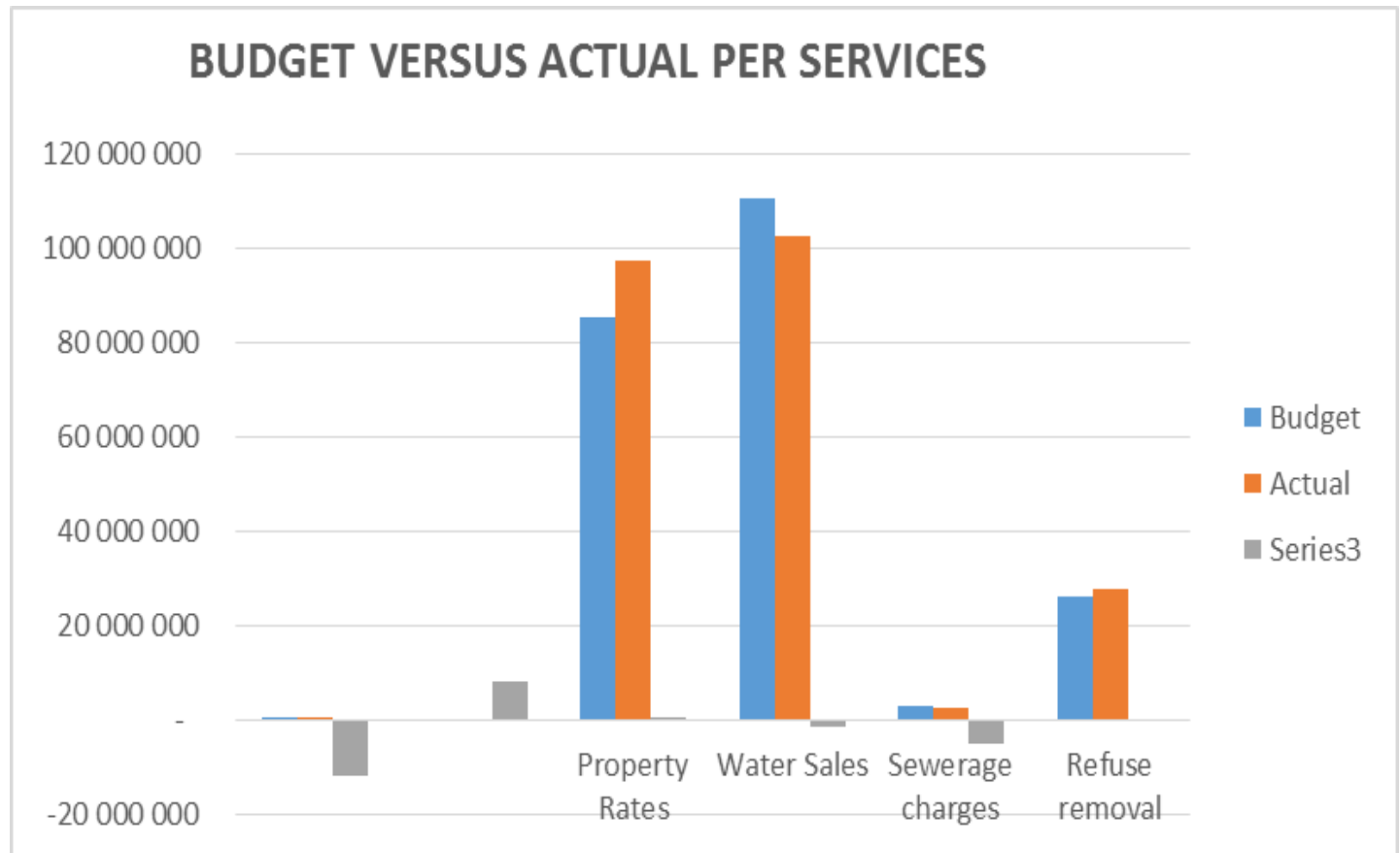
In the year under review there was a notable improvement with regards billing due to the cleansing of data BY DBSA resulting

In the following

- Adjusting journals to correct mistakes with regard client type
- Meter information such as meter stuck , failing to read , or green were attended thus improvement in the billing
- The continued implementation of the DBSA 's recommendation on billing information has improved on the billing data

Description	Budget	Actual	Variance	Actual
	2016	2016		2015
	R	R	R	R
Property Rates	85 164 112	97 112 317	-11 948 205	65 624 393
Water Sales	110 551 554	97 070 397	13 481 157	102 965 172
Sewerage charges	2 901 889	2 566 959	334 930	2 854 720
Refuse removal	25 989 539	27 582 911	-1 593 372	21 933 150
Totals	224 607 094	224 332 584	274 510	193 377 435

Report of the Chief Financial Officer

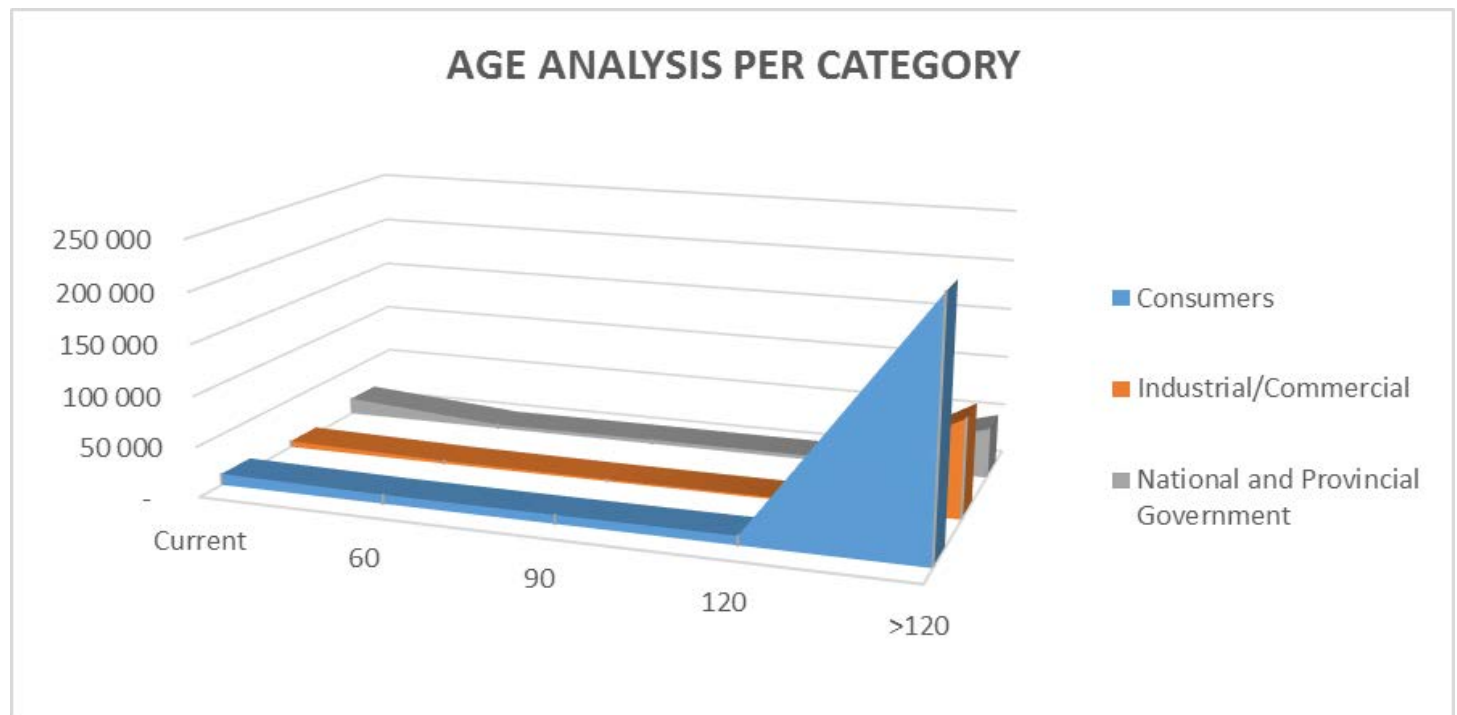


7. Debtors age analysis

Based on the analysis below, the government seemed to be the biggest contributor of the debtors' book of the municipality, however this was caused by the corrections of all the abeyance recorded in the municipal system.

Outstanding Debtors		Days Outstanding				
Details		Current	60	90	120	>120
Debtors by customer classification		R				
Consumers		11 195	8 918	8 624	8 873	242 535
Industrial/Commercial		6 162	2 966	1 973	1 891	97 244
National and Provincial Government		16 855	3 916	4 290	4 038	49 642

Report of the Chief Financial Officer



8. OPERATING EXPENDITURE 2015/2016

The following shows the expenditure per grouping versus amounts budgeted:

Description	2016	2016	Adjustments Budget	2015	Year 0 Variance	
	Actual	Original Budget		Actual	Original Budget	Adjustments Budget
Operating Cost						
Personnel	154 792	178 042	154 651	152 935		
Remuneration of Councillors	20 794	20 906	21 012	19 515		
Debt Impairment	81 824	62 457	62 558	51 518		
Depreciation and	46 185	105 049	105 049	95 468		

Report of the Chief Financial Officer

Amortisation						
Finance Costs	8 590	7 575	7575	9 998		
Bulk Purchases	63 206	55 000	66 200	43 500		
Contracted	32 623	30 000	33 400	29 000		
Other Expenditure	162 393	168 826	193 122	147 463		
Repairs	45 043	51 317	58 137	33 148		
Ward Committees	2 888	4 100	4 100			
Provision	7015	3700	5900			
Total Expenditure	625 398	686 972	711 703	582 545		

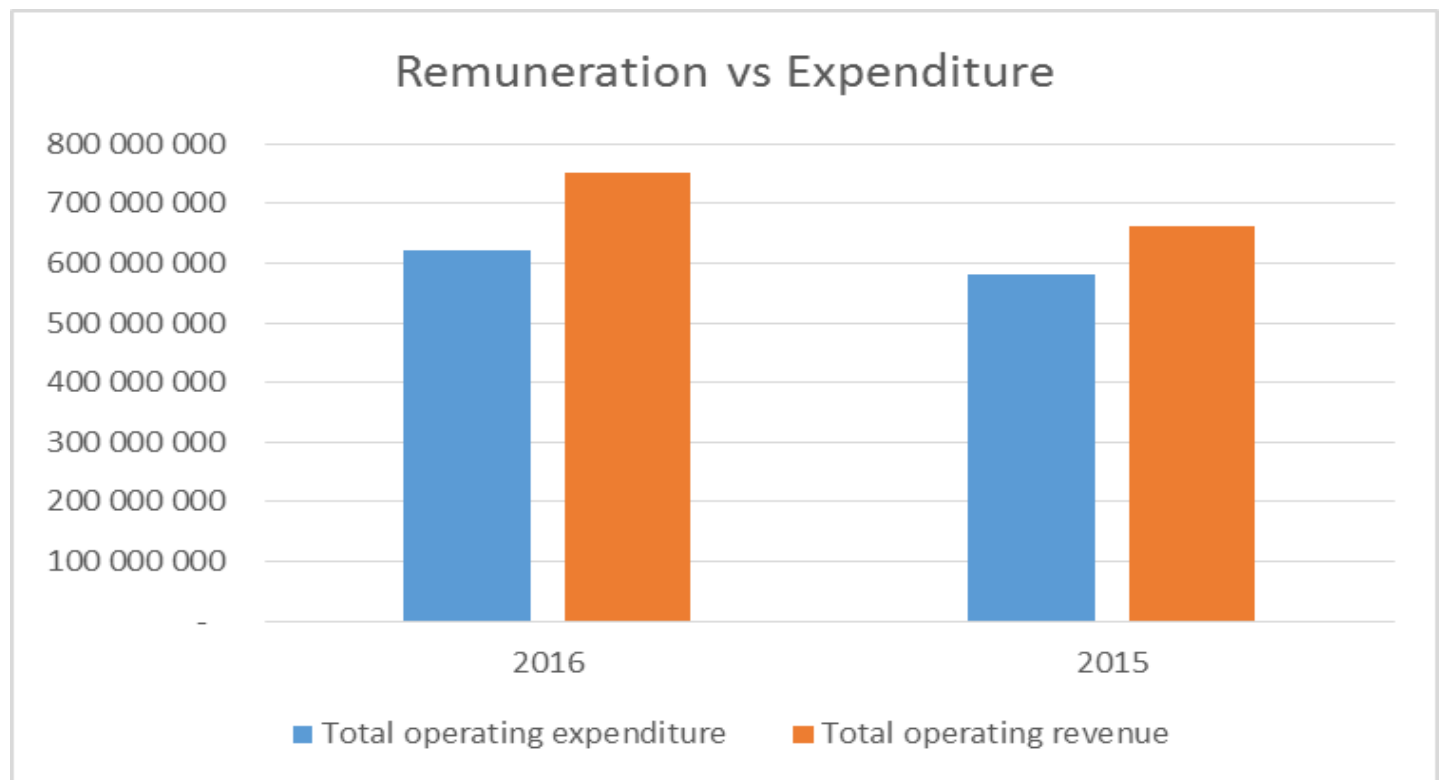
8.1 REMUNERATION vs. OPERATING EXPENDITURE

The saving on expenditure on employee related costs compared to the budget can be attributed to savings realized on vacancies not filled as well as vacancies filled at a later stage during the financial year.

The upper limits of salaries, allowances and benefits of different members of the council have been paid in terms of the remuneration of Public Bearers Act, 1988 (Act NO. 20 of 1998) as promulgated in the Government gazette issued in 25 March 2015. The salaries of the employees of the council has been paid in terms of the stipulations as contained in the salary and wages collective agreement of the South African Local Government Bargaining council for the 2015/2016 financial year.

Report of the Chief Financial Officer

Description	2016	2015
	Municipality	Municipality
	R	R
Total operating expenditure	625 397 979	577 784 051
Total operating revenue	745 954 511	660 372 909
Employee remuneration	154 791 910	130 452 919
Ratio: % of total expenditure	24.75%	22.58%
Ratio: % of total revenue	20.75%	19.75%
% decrease/increase in remuneration	4.00%	2.82%



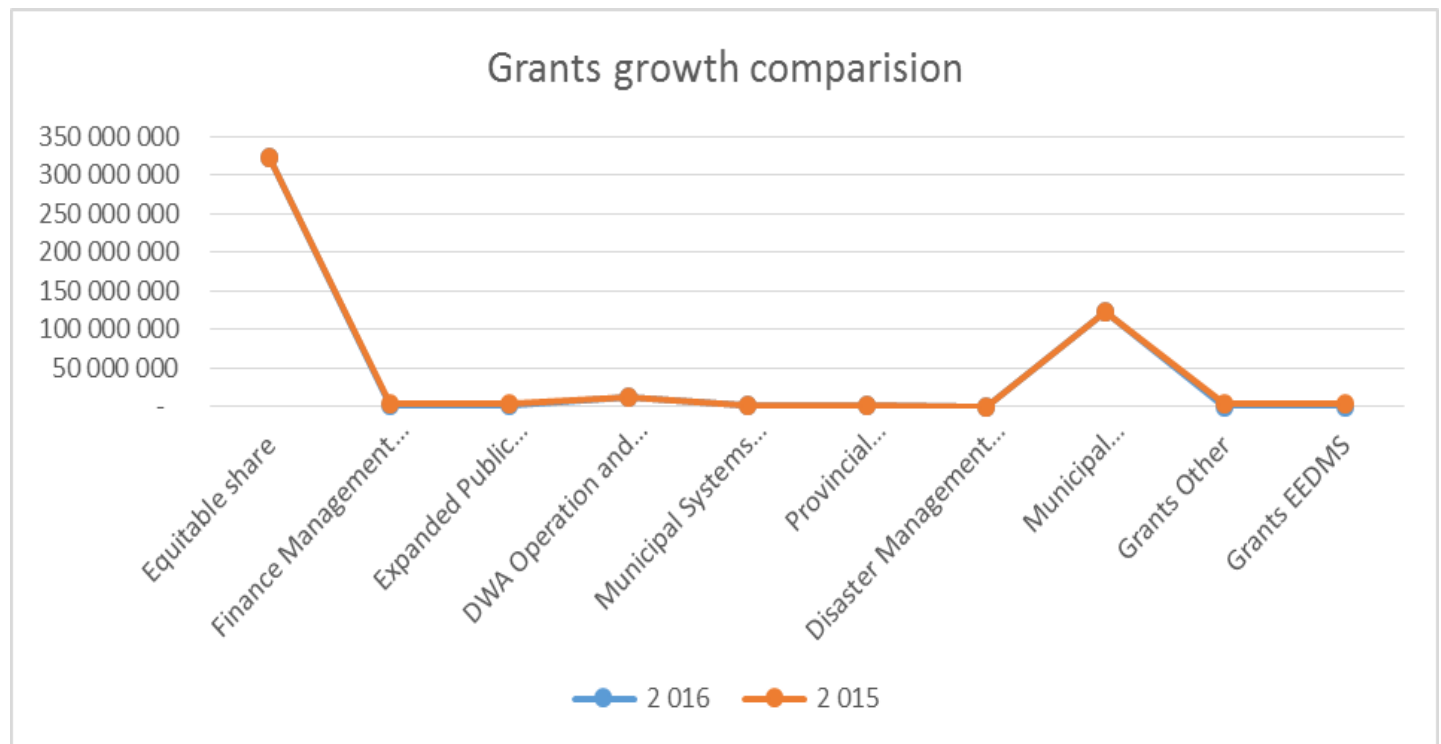
Report of the Chief Financial Officer

9. GRANTS AND SUBSIDIES:

Description	2016	2015
	Municipality R	Municipality R
Equitable share	322 570 000	275 714 000
Finance Management Grant	1600 000	1600 000
Expanded Public Works Programme	1446 000	1845 000
DWA Operation and Maintenance	12 500 000	15 199 975
Municipal Systems Improvement Grant (MSIG)	930 000	934 000
Provincial Infrastructure Grant	952 300	530 000
Disaster Management Awareness		0
Municipal Infrastructure Grant (MIG)	123 000 039	128 836 977
Grants Other	-	3 184 798
Grants EEDMS	226 694	3 773 307
Total	462 952 031	431 619 000

The variation in the actual amounts between the 2015/2016 and 2014/2015 financial years are due to the increase of the equitable share and the transfer of the Conditional Grants met to revenue.

Report of the Chief Financial Officer



10. MUNICIPAL DEBT & INVESTMENTS

10.1. Long Term Debt

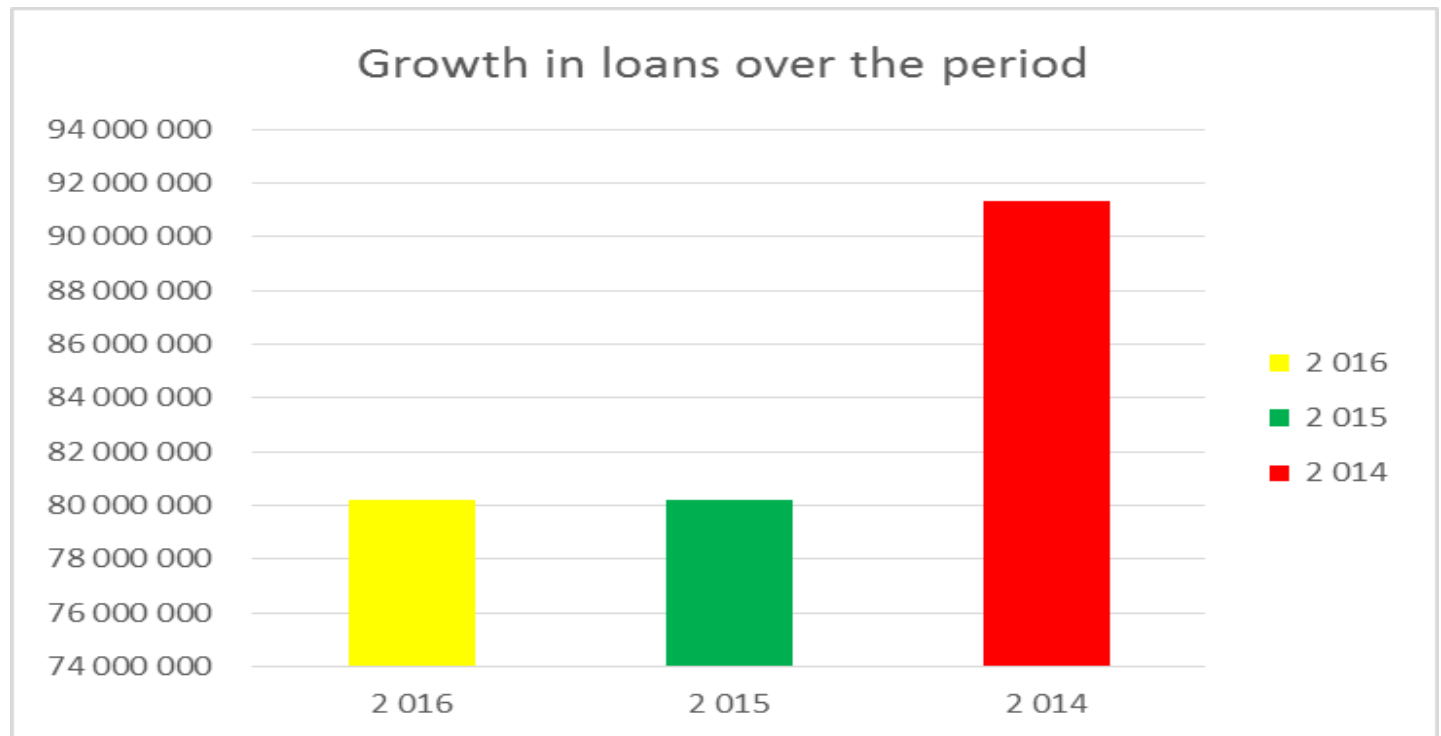
Below is the movement of long term debtors at year-end

External Loans	2016	2015	2014
	R	R	R
Long-term loans	61 684 956	68 699 923	79 812 554
Total	61 684 956	68 699 923	79 812 554
Finance Lease Obligation (minimum lease payments)	6 299 451	11 494 104	11 523 333

The municipality has entered into a finance lease for ICT hardware and revamp to the value of R12 Million, as well as the loan from Absa which were previously classified as normal loan and not

Report of the Chief Financial Officer

finance lease.



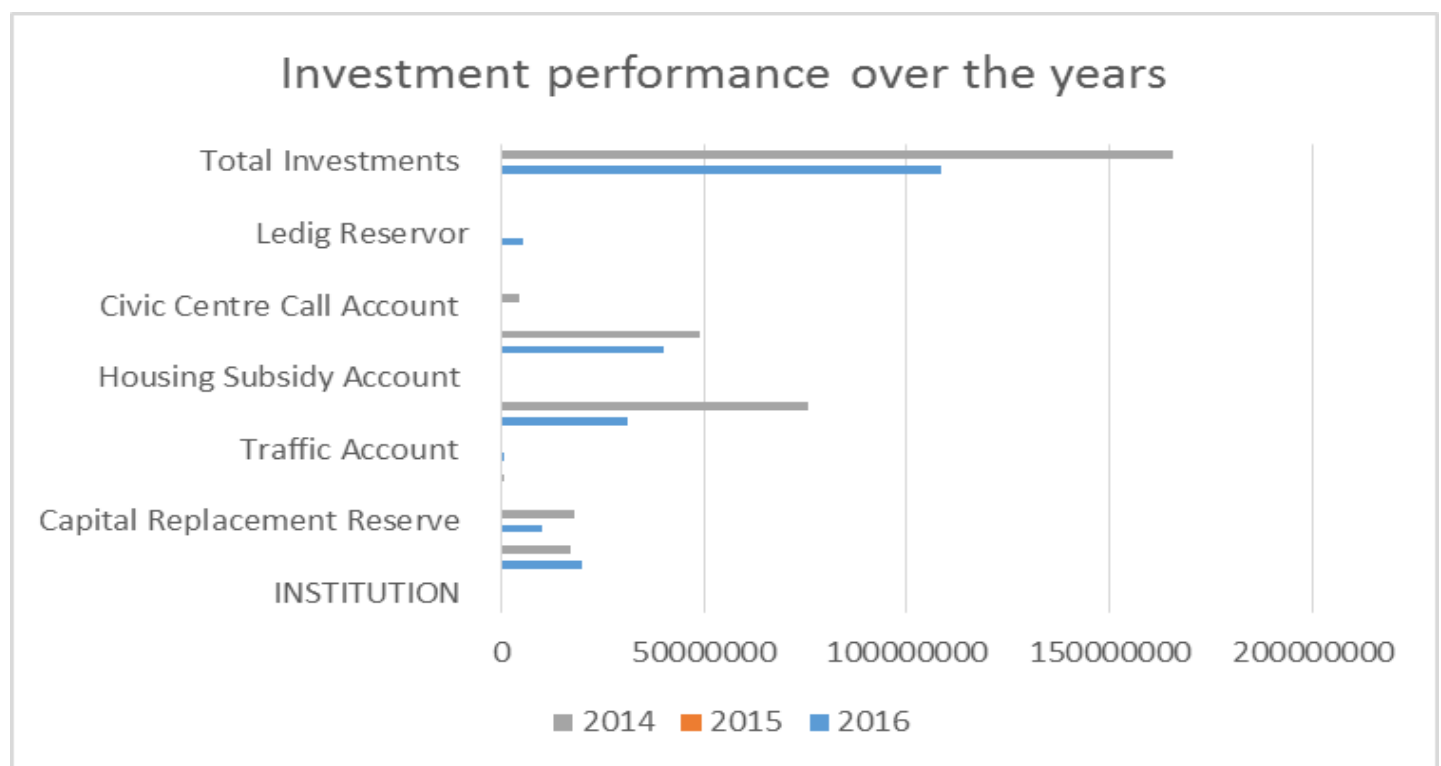
10.2 Investments

	2016	2015	2014
INSTITUTION	R	R	R
Absa Rustenburg Branch	20 249 250	10 592 629	17 430 483
Capital Replacement Reserve	10 279 104	27 450 737	18 105 823
Housing Account	407 697	338 701	782 441
Traffic Account	631 018	415 426	208 317
MKLM Call Account	31 460 316	12 454 016	75 719 605
Housing Subsidy Account	-	9 404	9 021
MIG Call Account	40 222 095	28 816 714	48 975 665

Report of the Chief Financial Officer

Civic Centre Call Account	-	70 649	4 451 806
Water & Sanitation Call Account	-	194 725	186 841
Nedbank	27 000 000	-	-
Ledig Reservoir	5 341 389	5 120 462	-
Petty cash	20 000	20 000	20 000
Total Investments	135 876 268	85 483 463	165 890 006

The graph below shows that the municipality has sufficient cash to honour its long commitment.



Report of the Chief Financial Officer

11. CAPITAL EXPENDITURE AND FINANCING

As far as the capital expenditure is concerned, Council addressed the backlog in certain areas without neglecting the current assets. Backlogs in infrastructure were given a very high priority during the approval of the capital- and operating expenditure. In addition, the Council adhered to guidelines that National Treasury had set for capital expenditure while capital expenditure program was IDP driven. The expenditure incurred during the year in respect of fixed assets, amounted to R170 265 382

The table below shows the distribution of the fixed assets according to the type of asset:

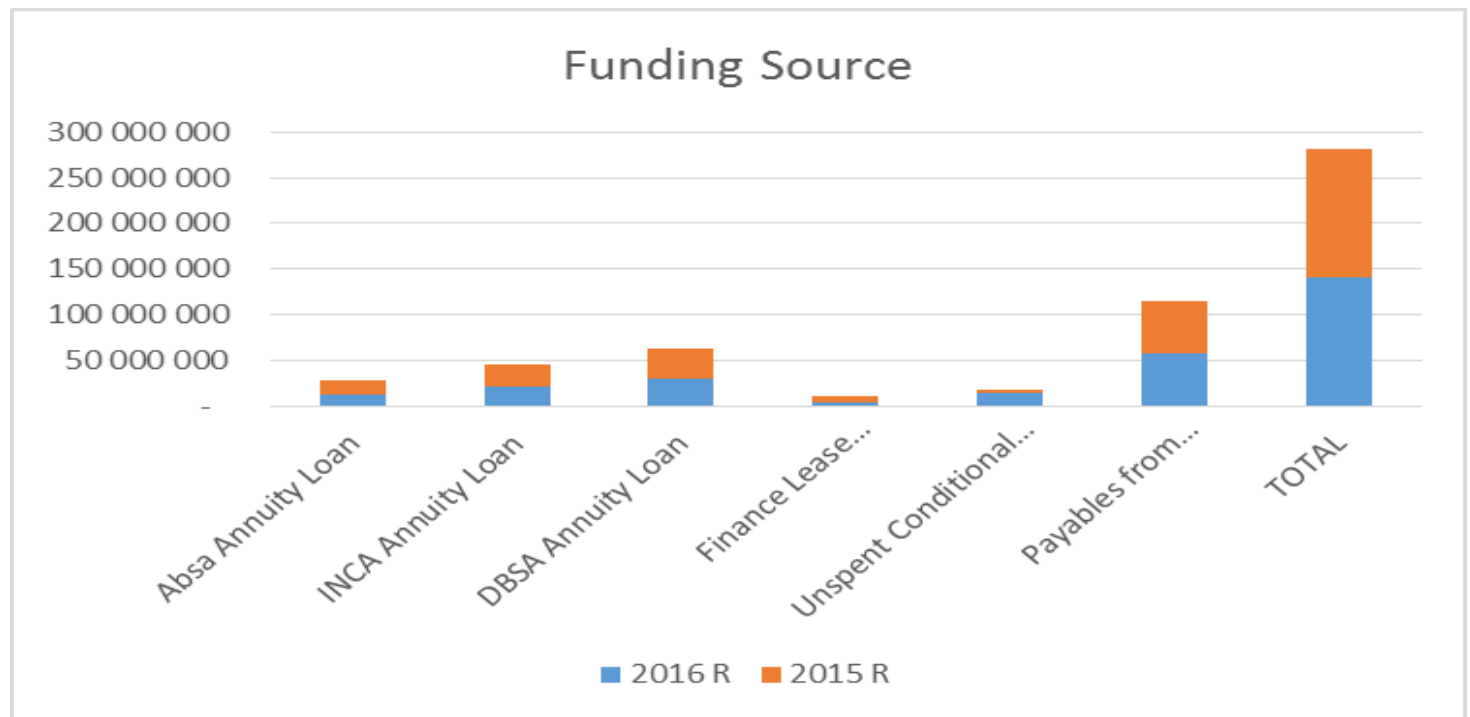
	Carrying Value	Carrying Value	Movement	Growth
Description	2016	2015		%
	R	R	R	
Land	24 031 449	13 026 149	-	-
Buildings	21 696 207	30 027 406	13 762 623	31.4%
Infrastructure	908 949 503	802 096 847	24 348 407	2.9%
Community Assets	150 094 256	128 188 470	-8 934 506	-7.5%
Other PPE	105 894 055	64 055 916	38 979 662	37.8%
Total	1 218 679 470	1 037 394 788	68 156 186	6.2%

The above-mentioned fixed assets were financed from the following sources:

Funding source	2016	2015	Variance	% Change
	R	R	R	
Absa Annuity Loan	9 951 426	14 781 534	-2 112 402	-16.70
INCA Annuity Loan	21 416 206	24 696 111	-3 279 905	-15.30
DBSA Annuity Loan	30 317 324	33 018 492	-2 701 168	-8.90

Report of the Chief Financial Officer

Finance Lease Obligation (minimum lease payments)	-	7 688 910	-4 107 166	-114.70
Unspent Conditional Grants	14 675 052	2 587 086	12 368 969	82.70
Payables from Exchange Transactions	78 218 592	77 916 177	247 261	0.40
TOTAL	154 578 600	160 688 142	415 589	0.30



Report of the Chief Financial Officer

Key Financial Ratios

Type	2016	2015
Cash and cash equivalents	135 276 642	85 483 463
Liquidity ratio	3.37	3.87
Acid test ratio	3.19	3.70
Gearing ratios		
Debt/Equity	13.37%	14.41%
Debt Ratio (Liabilities/Assets)	12%	13%

Type	2016	2015	Variance (R)	Variance
	Municipality R	Municipality R	Group R	Group (%)
Current assets	368 113 444	354 038 659	3 351 009	0.94%
Non-current assets	1 218 679 470	1 037 658 590	95 171 782	8.4%
Total Assets	1 586 792 914	1 391 697 249	99 396 096	6.7%
Current liabilities	107 837 217	91 407 670	14 849 449	14.0%
Non-current liabilities	93 098 384	83 882 644	-12 267 506	-17.1%
Total liabilities	200 935 601	175 290 314	2 581 943	1.5%
Net Assets	1 385 857 313	1 216 406 935	96 814 153	7.4%

Financial Statistics	2016	2015
	Municipality	Municipality
Current asset ratio	3.41	3.87
Acid test ratio	3.33	3.73

Report of the Chief Financial Officer

Total long-term debt to total revenue*	0.12	0.13
Inventory turnover (times)	0.16	0.14
Cash-flow to Debt ratio (operating cash flow to debt)	0.94	1.33
Financing to capital expenditure ratio	15%	17%
Repairs & maintenance to annual operating revenue	6.88%	5.21%
Net debtors to total annual operating revenue	34.53%	36.43%

12. INVESTMENTS

External investments on 30 June 2016 amounted to R135 876 268 compared to R85 483 463 for 2015/2016.

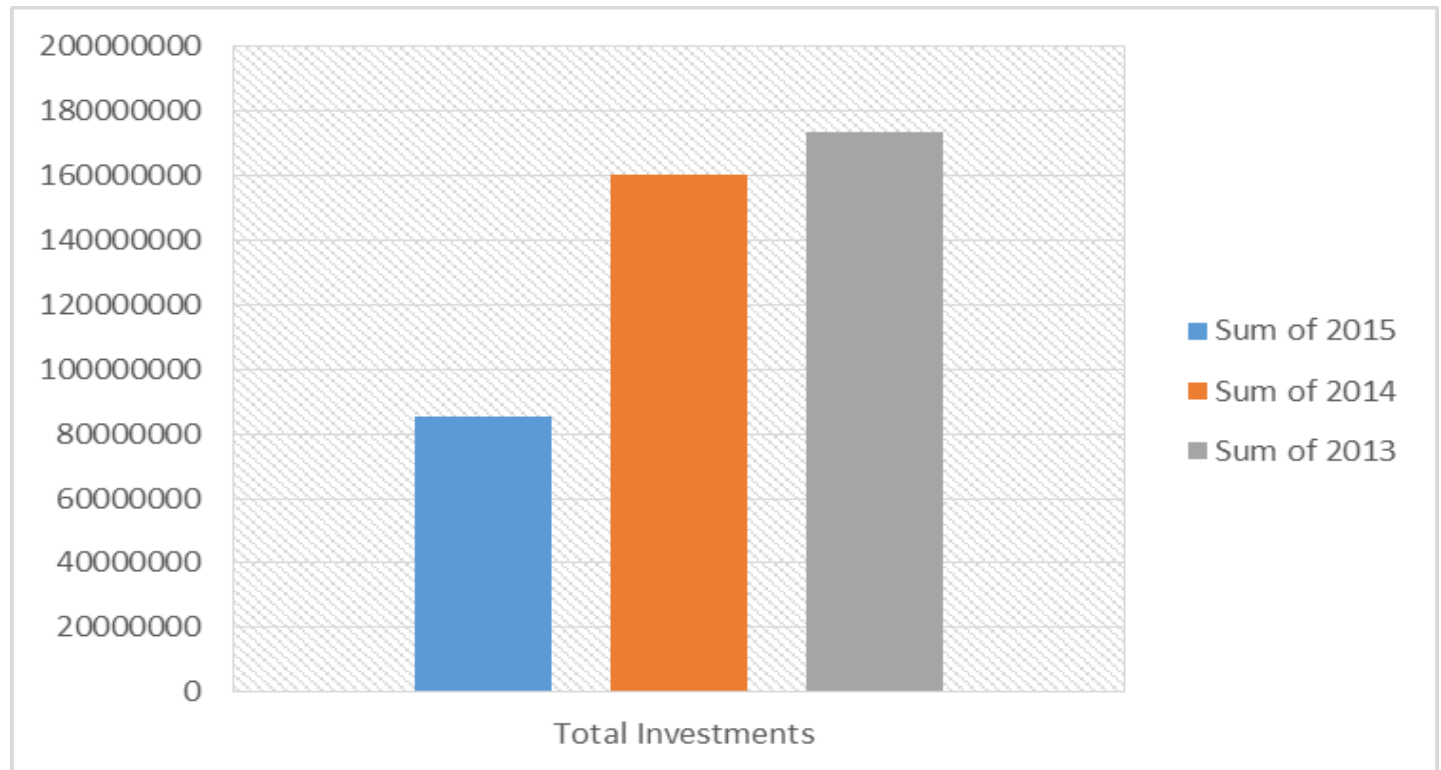
Investments & Bank Accounts

	2016	2015	2014
INSTITUTION	R	R	R
Absa Rustenburg Branch	20 249 250	10 592 629	17 430 483
Capital Replacement Reserve	10 279 104	27 450 737	18 105 823
Housing Account	407 697	338 701	782 441
Traffic Account	631 018	415 426	208 317
MKLM Call Account	31 460 316	12 454 016	75 719 605
Housing Subsidy Account	-	9 404	9 021
MIG Call Account	40 222 095	28 816 714	48 975 665
Civic Centre Call Account	-	70 649	4 451 806
Water & Sanitation Call Account	-	194 725	186 841
Nedbank	27 000 000	-	-

Report of the Chief Financial Officer

Ledig Reservoir –Water projects	5 341 389	5 120 462	-
Petty cash	20 000	20 000	20 000
Total Investments	135 876 268	85 483 463	165 890 006

Investment Trends over the years.



13. HOUSING

The council is acting as an agent for the Northwest Province for the building of RDP houses. The property on which the houses are built belongs to the Traditional Authorities in that area and not to the council. The houses will also be registered in the name of the beneficiary whom is receiving a subsidy from Provincial Government.

The money received from the Northwest Province is paid into a separate bank account from where the suppliers are being paid.

Report of the Chief Financial Officer

14. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, the Executive Committee, Municipal Manager, Councilors and Departmental Managers for the support they have given to the department during the 2015/2016 financial year.

A special word of appreciation is extended to the team of the Budget and Treasury Office for the months of hard work, sacrifices and dedicated efforts during the financial year to enable us to finalize these financial statements. A special word of thanks to the HOU's: Expenditure and Revenue and SCM for their dedication and countless days and nights spent to achieve the goals. To the Managers that came in after hours to help with the final reconciliations please accept our appreciation.

Ms. L O NDLOVU

Chief Financial Officer

Moses Kotane Local Municipality

31 August 2016

2016

2016

Note(s)	2016	2015
		Re Stated
5	8 370 343	15 899 041
8	194 707 925	227 690 462
6	2 156 860	2 835 406
9	135 276 642	85 733 265
7	12 969 203	11 711 548
42	14 632 471	28 831 456
	368 113 444	372 701 178
3	1 218 665 470	1 074 887 527
4	14 000	14 000
	1 218 679 470	1 074 901 527
	1 586 792 914	1 447 602 705
13	2 311 205	1 155 216
15	78 218 592	77 916 177
11	14 675 052	2 587 086
10	4 766 065	5 257 016
12	7 866 303	7 017 466
	107 837 217	93 932 961
12	53 818 653	61 682 457
10	1 533 386	6 237 088
13	37 746 345	31 887 322
	93 098 384	99 806 867
	200 935 601	193 739 828
	1 385 857 313	1 253 862 877
	1 385 857 314	1 253 862 877

2016

Note(s)			2015
			Re Stated
2016			
18	127 220 267	127 701 826	
	121 027	105 115	
	26 196	5 287	
	9 000		
20	1 382 784	1 137 421	
26	52 207 237	33 161 847	
		180 966 511	162 111 496
17	97 112 317	65 438 378	
19	463 233 033	431 618 735	
	4 642 650	1 204 300	
s	564 988 000	498 261 413	
16	745 954 511	660 372 909	
22	-154 791 910	-130 452 066	
23	-20 793 948	-19 153 919	
24	-7 015 012	-1 621 906	
27	-46 184 542	-66 414 822	
28	-8 590 181	-9 315 631	
25	-81 824 437	-60 791 303	
	-45 043 941	-45 566 362	
31	-63 205 858	-55 557 172	
30	-32 623 323	-24 333 038	
	-2 888 035	-3 496 922	
21	-162 436 792	-160 992 356	
		-625 397 979	-577 695 497
		120 556 532	82 677 412
	-616 892	-4 074 170	
		119 939 640	78 603 242

2016

Note(s)	Accumulated surplus	Total net assets
		0
	1 137 130 924	1 137 130 924
	38 128 711	38 128 711
	78 603 242	78 603 242
	1 253 862 877	1 253 862 877
	1 253 862 877	1 253 862 877
	12 054 797	12 054 797
	119 939 640	124 643 446
	1 385 857 314	1 385 857 314
	1 385 857 314	1 385 857 314

2016

	Note(s)	2016	Restated 2015 Re Stated
		97 112 317	65 438 378
		133 401 924	130 153 950
		463 233 033	431 618 735
		52 207 237	33 161 846
		745 954 511	660 372 909
		-154 791 924	(130 452 066)
		-441 308 161	(399 259 285)
		-8 590 181	(9 315 631)
		-604 690 266	(539 026 982)
	32	200 319 010	121 345 927
		-173 204 909	(168 864 357)
ent		-616 892	127 702
			236 869
ts		49 543 377	
			1 540 562
		-14 287 575	(23 400 784)
			-
		-138 565 999	(190 360 008)
		-8 102 469	(7 307 436)
es		-4 107 165	(3 834 424)
		-12 209 634	(11 141 860)
valents		49 543 377	(80 155 941)
se year		85 733 265	165 889 206
ear	9	135 276 642	85 733 265

0 June 2016

d Actual Amounts

Approved budget	Adjustments budget	Final Actual amounts budget on comparable basis	Difference between final budget and actual	Reference
140 892 982	-1 450 000	139 442 982	127 220 267	-12 222 715 N/A
100 000	-30 000	70 000	121 027	51 027 N/A
0		0	26 196	26 196 N/A
55 000	-54 000	1 000	9 000	8 000 N/A
25 352 100	15 167 400	40 519 500	43 092 750	2 573 250 Interest on debtors included in other revenue N/A
9 700 000	-1 700 000	8 000 000	10 497 271	2 497 271 N/A
176 100 082	11 933 400	188 033 482	180 966 511	-7 066 971
69 720 382	15 443 730	85 164 112	97 112 317	11 948 205 N/A
		0		0
343 349 727	-45 716	343 304 011	463 233 033	119 929 022 Condition met
3 500 000	-500 000	3 000 000	4 642 650	1 642 650 More fines issued
416 570 109	14 898 014	431 468 123	564 988 000	133 519 877
592 670 191	26 831 414	619 501 605	745 954 511	126 452 906

uality

ended 30 June 2016

Budget and Actual Amounts

Approved budget	Adjustments budget	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
178 041 720	(23 390 720)	154 651 000	154 791 910	140 910	Late appointments
20 906 185	105 815	21 012 000	20 793 948	(218 052)	
3 700 000	2 200 000	5 900 000	7 015 012	1 115 012	Provision for leave
105 048 731		105 048 731	46 184 542	58 864 189	
7 575 376		7 575 376	8 590 181	1 014 805	provision Finance Lease
62 457 606	100 000	62 557 606	81 824 437	(19 266 831)	Non payment
51 316 500	6 820 170	58 136 670	45 043 941	(13 092 729)	Procurement plans not implemented
55 000 000	11 200 000	66 200 000	63 205 858	(2 994 142)	Overspent on bulk purchases
30 000 000	3 400 000	33 400 000	32 623 323	(776 677)	Contract terminated
4 100 000		4 100 000	2 888 035	(1 211 965)	N/A
168 826 067	24 296 057	193 122 124	162 436 792	(30 685 332)	N/A
686 972 185	24 731 322	711 703 507	625 397 979	(7 110 812)	
(94 301 994)	2 100 092	(92 201 902)	120 556 532	212 758 434	
-	-	-	(616 892)	(616 892)	
(94 301 994)	2 100 092	(92 201 902)	119 939 640	212 141 542	

Accounting Policies

Presentation of Financial Statements

Financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

Financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, is provided below.

Presentation currency

Financial statements are presented in South African Rand, which is the functional currency of the municipality.

Recognition of assets and liabilities

Financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis, unless otherwise stated. Under this basis the effects of transactions and other events are recognized when they occur and are recorded in financial statements within the period to which they related. Assets, liabilities, revenues and expenses have not been offset except where setting off is required or permitted by an accounting standard.

A summary of significant accounting policies, which have been applied consistently are consistent with those of the previous year financial statements, unless explicitly stated the details of any changes in the accounting policies are explained in the relevant policy.

Standards are summarized as follows:

Presentation of the financial statements

Cash flow statements

Accounting policies, changes in accounting estimates and errors

The effect of changes in foreign exchange transactions

Borrowing cost

Consolidated and separate financial statements

Investments in associates

Interest in joint ventures

Revenue from exchange transactions

Financial reporting in hyperinflationary economies

Construction contracts

Inventories

Leases

Accounting Policies

Notes of preparation (Continued)

- 1: Events after reporting date
- 2: Investment property
- 3: Property, plant and equipment
- 4: Provisions, contingent liabilities and contingent assets
- 5: Impairment of non-cash - general Property, plant and equipment
- 6: Revevue from non-exchange transactions (taxes and transfer)
- 7: Impairment of cash -generating assets
- 8: Non-current assets held for sale and discontinued operations
- 9: Agricultural
- 10: Intangible assetsAdditional text
- 11: Heritage assets
- 12: Financial instrument

A change was given to the Accounting standards approved but not yet affected in the accounting policy. A number of new standards not yet effective for the year ended 30 June 2016 are presented in note 2 GRAP 21 : Impairment of non cash generating assets.

Going Concern

Annual financial statements have been prepared on the assumption that the Municipality will continue to operate as a going concern at the next 12 months.

Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Recognition of an item of property, plant and equipment is recognised as an asset when:

☐ it is probable that f

The cost of property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in determining the cost.

If an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

erty, plant and equipment (Continued)

ul lives of items of property, plant and equipment have been assessed as follows:

	Average useful life in years
Structure	Infinite
Roof	25-30
Windows	15 - 100
Doors	10-30
Stairs	20
Sanitary	20 - 30
Plumbing	20 - 50
Paint	20 - 30
Lighting	25-30
Heating	25-30
Refrigeration	25-30
Boilers	25-30
Refrigeration Facilities	20 - 30
Property, plant and equipment	
vehicles	5
equipment	7
computer equipment & software	5
passenger vehicles	7
furniture	5
clothing and fittings	7
containers	5

Accounting Policies

Property, plant and equipment (Continued)

Revalued plant and equipment	15
Items of plant and equipment	5
Waste management sites	30-55
	Indefinite
Property, plant and equipment	2 - 10

The carrying amount, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations of the carrying amount, useful life and depreciation method differ from previous estimates, the change is accounted for as a change in accounting estimate.

An item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

A depreciation charge for each period is recognized in surplus or deficit unless it is included in the carrying amount of another asset. Property, plant and equipment are derecognized on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost or revalue to their residual value over the estimated useful lives of the asset. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality.

A gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net proceeds, if any, and the carrying amount of the item. Such difference is recognized in surplus or deficit when the item is derecognized.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognized in surplus or deficit when the compensation becomes receivable.

The carrying amount of property, plant and equipment.

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. The useful life is based on the pattern in which an asset's future economic benefits or services potential are expected to be consumed by the municipality.

Impairment of assets

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognized in surplus or deficit when the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a separate item for the purpose of disclosure in the financial statements.

The cost of an asset is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Accounting Policies

Intangible assets (continued)

Intangible assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are not available for sale or disposal, and are held indefinitely for the benefit of present and future generations.

Impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

Impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service potential.

A non-current tangible item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without incurring a significant cost.

The recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

The recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

The value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating asset.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

A financial asset is:

- ☐ cash;
- ☐ a residual interest in another entity; or

or the right to receive cash or another financial asset from another entity; or
 the right to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- ☐ deliver cash or another financial asset to another entity; or
- ☐ exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

Financial position

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

	Category
Trade receivables	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Short-term cash equivalents	Financial asset measured at amortised cost
Financial assets	Financial asset measured at amortised cost
The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:	

	Category
Financial liabilities	Financial liability measured at amortised cost
Trade payables	Financial liability measured at amortised cost

Accounting Policies

Financial Instruments (continued)

Recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value]

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

1) cash equivalent

and is initially and subsequently recorded at fair value. For cashflow purposes, cash and cash equivalent includes cash on deposits held at call accounts with banks, other short-term highly liquid investment with original maturities of three months or less, drafts. These are subject to a significant risk of changes in value.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- ☐ Financial instruments at fair value.
- ☐ Financial instruments at amortised cost.
- ☐ Financial instruments at cost.

Financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity determines fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide estimates of prices obtained in actual market transactions, the entity uses that technique.

When a valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs, it is considered to be more reliable. It considers all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for valuing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any available current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available market data.

The carrying amount of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Accounting Policies

Financial instruments (continued)

Classification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- ☐ a combined instrument that is required to be measured at fair value
- ☐ an investment in a residual interest that meets the criteria for classification as a financial asset

If the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If an investment in a residual interest measured at fair value can no longer be measured reliably, the entity reclassifies the instrument from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Impairment losses

A loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring since the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

For financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Accounting Policies

Financial instruments (continued)
Derecognition

Financial assets

An entity derecognises a financial asset only when:

- ☐ the contractual rights to the cash flows
- ☐ the entity transfers
- ☐ the entity,

control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

In this case, the entity :

- derecognise the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

The relative fair amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the statement of financial position at the transfer date.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and the amounts recognised is recognised in surplus or deficit.

Financial liabilities

An entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any amounts that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Offsetting

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

On entering into a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Leases - lessee

Leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Accounting Policies

Leases (Continued)

Discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability.

Variable rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts paid as an expense and the contractual payments are recognised as an operating lease asset or liability.

Variable rent is recognized separately as an expense when paid or payable and are not straight-lined over the lease term.

Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are measured at fair value as at the date of acquisition.

Generally inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

☐ distribution at no charge or for a nominal charge; or
 ☐ consumption in the production process

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Specific identification of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is used using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to consumers or to use it in its services, or where the municipality has incurred purification costs on water obtained from natural resources (e.g. rain, rivers, springs, dams etc.). However, water in dams that are filled by natural resources and that has not yet been treated, and is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the statement of financial position.

The cost of determining the cost of water purchased and not yet sold at statement of financial position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates.

Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and sold in reservoirs at year-end.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. Unsold properties are measured at fair value at date of valuation roll.

ing Policies

ed parties

Is as well as their close family members, and/or entities are related parties if one of the party has the ability, directly or indirectly to jointly control the other pary or exercise significant influence over the other party in making financial and/or operating decisions. Management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the I Manager or as designated by the Municipal Manager.

airment of cash-generating assets

erating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

able amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

- a is either:
- (a) the period of time over which an asset is expected to be used by the municipality; or
 - (b) the number of production or similar units expected to be obtained from the asset by the municipality.

ation

icipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such exists, the municipality estimates the recoverable amount of the asset.

able amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.
 a carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

ive of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite a or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its ble amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during nt reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

use

use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing asset and from its disposal at the end of its useful life.
 timating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing a asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

t rate

ount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free terest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

tion and measurement (individual asset)

overable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its ble amount. This reduction is an impairment loss.

rment loss is recognised immediately in surplus or deficit.

recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future o allocate the cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its g useful life.

ing Policies

tion and measurement (cash-generating unit)

airment of cash-generating assets (continued)

: any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to
 the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to
 : asset belongs to (the asset's cash-generating unit).

/e market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cashgenerating
 r if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are
 oy internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's
 nsactions in estimating:

☐ the future cash inflows used t
☐ tl

the internal transfer pricing.

erating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

/ing amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cashgenerating
 terminated.

rment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the
 impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the
 amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

ing an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:
 value less costs to sell (if determinable);
 ie in use (if determinable); and

unt of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating
 the unit.

non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating
 allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating

l of impairment loss

icipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a
 erating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable
 of that asset.

rment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to
 e the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to
 erable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a
 of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation)
 npairment loss been recognised for the asset in prior periods.

al of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

:versal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in
 riods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its
 g useful life.

Accounting Policies

Impairment of cash-generating assets (continued)

The reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit. In the event of a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower

of its recoverable amount (if determinable); and the carrying amount of the asset as determined at the end of the reporting period, less any impairment recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets in the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset occurs when there is clear evidence that such a redesignation is appropriate.

Impairment of non-cash-generating assets

Non-cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, independent parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Service potential is either:
 (a) the period of time over which an asset is expected to be used by the municipality; or
 (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Impairment test

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any indication exists, the municipality estimates the recoverable service amount of the asset.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

If the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

In addition to whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use
 The value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

ng Policies

airment of non-cash-generating assets (Continued)

ion and measurement

overable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is o its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognized immediately.

ment loss is recognized immediately in surplus or deficit.

irment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future o allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its j useful life.

of an impairment loss

cipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a noncash-g asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable mount of that asset.

il of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

versal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in iods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining u

ation

signation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cashgenerating y occur when there is clear evidence that such a redesignation is appropriate.

re capital / contributed capital

instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

mployee benefits

visions and contingencies

s are recognised when:

bligation; and

☐ it is probable that an ou
 ☐ a reliable estimate can be made of the obligation.

unt of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting

e effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be o settle the obligation.

unt rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

rme or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is d when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The ment is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

ing Policies

visions and contingencies (Continued)

is are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

scouting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is ad as an interest expense.

on is used only for expenditures for which the provision was originally recognised.

is are not recognised for future operating deficits.

y has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a .

enue from exchange transactions

comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an in net assets, other than increases relating to contributions from owners.

e transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives ately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

ment

oods

from the sale of goods is recognised when all the following conditions have been satisfied:

- ☐ the municipality has transfe
- ☐ the municipality r

effective control over the goods sold;

- ☐ the amount of revenue can be measured reliably;
- ☐ it is probable
- ☐ the costs incurred or to be incurred in respect

ing of services

o outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is ad by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated when all the following conditions are satisfied:

- ☐ the amount of revenue can be measured reliably;
- ☐ it is probable that
- ☐ the stage of completion of the transaction a
- ☐ the costs incurred for the transa

rvices are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line or the specified time frame unless there is evidence that some other method better represents the stage of completion. When a act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

o outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the the expenses recognised that are recoverable.
evenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is ed by surveys of work performed.

ing Policies

enue from exchange transactions (Continued)

evenue relating to water are recognized based on consumption. Meters are read on a monthly basis and are recognized as when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The al estimates of consumption are recognized as revenue when invoiced. Adjustments to provisional estimates of consumption are he invoicing period in which meters have been read. These adjustments are recognized as revenue in the invoicing period.

evenue relating to refuse removal are recognized on a monthly basis in arrears by applying the approved tariff to each property mprovements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse s on each property, regardless of whether or not all containers are emptied during the month.

evenue relating to sewerage and sanitation are based on the number of sewerage connections on each developed property using roved from Council and are levied monthly.

evenue from the application of the approved tariff of charge is recognized when the relevant service is rendered by applying the gazetted tariff.

from public contributions are recognized when all conditions associated with the contribution have been met or where the on is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where ntributions have been received, but the municipality has not met the condition, a liability is recognized.

enue from non-exchange transactions

nal grants and receipts

received from conditional grants, donations and funding are recognized as revenue to the extent that the municipality has with any of the conditions embodied in the agreement. To the extent that the conditions have not been met a liability is ed.

rowing costs

nparative and budget information

ecessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

urrent year comparatives

icipality has presented its comparision of budget amounts on a separate sheet called statement of of comparision of budget and ounts refer page 9 -10 currently presented in accordance with standard of GRAP . The compoarision of budget and actual presentes separately each level of legislative oversight :

oved budget and the final budget for the year ending 30 June 2013

il amount on a comparable basis,

a note REFER to appendix E an explanation of material difference between the budget which the municipality held it publicly ble and the actual amount,

ior period comparatives

presentation, or classification of items in the annual financial statements is amended , prior period comparatives amounts are fied. The Nature and the reason for the reclassification are disclosed

Accounting Policies

Unauthorised expenditure

Unauthorised expenditure means:

- ☐ overspending of a vote or a main division within a vote; and
- ☐ expenditure

of the main division.

Expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is separately accounted for as revenue in the statement of financial performance.

Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is separately accounted for as revenue in the statement of financial performance.

Irregular expenditure

- Irregular expenditure as defined in section 1 of the MFMA in relation of the Municipality or Municipal entity ,means -
- (a) Expenditure incurred by the Municipality or Municipal entity in contravention of,or that is not in accordance with,a requirement of this act, and which has not been condoned in terms of section 170;
 - (b) Expenditure incurred by a municipality in contravention of,or that is not in accordance with,a requirement of the remuneration of Public office bearer Act,1998(Act No.20 of 1998); or
 - (c) Expenditure incurred by a municipality or municipal entity in contravention of,or that is not in accordance with,a requirement of the supply chain management policy of the municipality 's by law giving effect to such policy , and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of unauthorized expenditure. .

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently recorded for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or finalization of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, the financial statements must be updated to reflect this.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the

Accounting Policies

Conditional grants and receipts

Grants received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has met with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Contingent Commitments

Contingent liabilities are classified as commitments where the Municipality commits itself to future transactions that will normally result in the outflow of resources. Contingent liabilities are not recognized in the statement of financial position as a liability but are included in the disclosure notes in the following cases:

• Where the liability is probable at the reporting date, where disclosure is required by a specific standard of GRAP.

• Where the liability is possible, but the outflow of resources is not probable.

• Where the liability is possible, but the outflow of resources is not probable, disclosure notes to the financial statements.

• Where the liability is possible, but the outflow of resources is not probable, other than the business of the municipality.

Statement of Administration and Other Overhead Expenses

Costs of internal support services are transferred to the various services and departments to whom resources are made available.

Value Added Tax

The municipality is registered with the South African Revenue Service (SARS) for VAT on the cash basis and is liable to account for VAT at the standard rate of 14% in terms of section 7(1)(a) of the VAT Act in respect of the supply of goods or services, except for where the supplies are specifically zero-rated or exempted in terms of section 12 and 11 of the VAT Act respectively, or the supplies are scoped out of the purposes. The entity accounts for VAT on a monthly basis.

Employee Benefits

Short-term Employee benefits

Grants to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when specific events occur.

The municipality has opted to treat its provision for leave as an accrual,

Grants for all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days (maximum 48) at year end and is shown as accruals in the Statement of Financial Position.

Benefit Plans

Long-term Incentive Awards

The municipality has an obligation to provide Long-Service Awards benefits to all its employees. According to the rules of the Long-Service Awards, the municipality instituted and operates, an employee (who is on the current Conditions of Service) is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on actuarial valuation. Gains and losses on the long-term incentives are accounted through the Statement of Financial Performance.

or the current

Effective date: Years beginning on or after	Expected impact:
---	------------------

01 April 2013	
01 April 2013	

01 April 2013	
---------------	--

01 April 2013	
01 April 2013	

01 April 2013	
01 April 2013	
01 April 2013	
01 April 2013	
01 April 2013	

01 April 2013	
---------------	--

01 April 2013	
01 April 2013	

e mandatory

Effective date: Years beginning on or after	Expected impact:
---	------------------

01 April 2015	
01 April 2015	

01 April 2015	
---------------	--

01 April 2015	
01 April 2016	
01 April 2015	
01 April 2015	

01 April 2015	
---------------	--

01 April 2015	
01 April 2015	
01 April 2016	
01 April 2016	
01 April 2016	

01 April 2016	
---------------	--

2016				2015			
	Cost/ Valuation	Accumulated depreciation and Accumulated impairment	Carrying value		Cost/ Valuation	Accumulated depreciation and Accumulated impairment	Carrying value
	24 031 449	-	24 031 449		13 026 149	-	13 026 149
	37 604 637	-7 908 430	29 696 207		37 604 637	-7 577 231	30 027 406
	1 683 300 149	-774 350 646	908 949 503		1 554 863 047	-752 766 200	802 096 847
	185 185 195	-35 090 939	150 094 256		162 161 927	-33 973 457	128 188 470
	161 385 697	-55 491 642	105 894 055		112 141 913	-48 085 997	64 055 916
		-			-		-
	2 091 507 127	-872 841 657	1 218 665 470		1 879 797 673	-842 402 885	1 037 394 788

Opening Balance	Prior year corrections	Additions		Disposals	Transfers	Prior year corrections	Disposals	Depreciation	Impairment	Total
13 026 149		-			11 005 300					24 031 449
30 027 406								(74 486)	(256 713)	29 696 207
802 096 847	20 411 787	138 197 786		(658 092)	(29 514 380)	549 223	516 556	(21 336 143)	(1 314 079)	908 949 505
128 188 470		29 303 715			(6 280 449)			(631 252)	(486 230)	150 094 254
64 055 916	6 139 310	43 104 474				15 745 765		(23 151 410)		105 894 055
1 037 394 788	26 551 097	210 605 975	-	(658 092)	(24 789 529)	16 294 988	516 556	(45 193 291)	(2 057 022)	1 218 665 470

ne 2016

2015

Opening Balance	Additions	Prior Year Corrections	Disposals	Transfers	Depreciation	Other Depreciation	Total
13 026 149	-	-			-		13 026 149
30 901 651	52 563	-			-922 981	-3 827	30 027 406
750 457 240	107 694 919	117 151	-4 114 626		-49 075 852	-2 981 985	802 096 847
116 945 264	15 892 143	-	-		-4 616 579	-32 358	128 188 470
30 284 536	45 108 331	-750	-87 246	-1 619 801	-9 629 154		64 055 916
941 614 840	168 747 956	116 401	-4 201 872	-1 619 801	-64 244 566	-3 018 170	1 037 394 788

on 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality

2016			2 015		
Cost/ Valuation	Accumulated depreciation and Accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and Accumulated impairment	Carrying value
			14 000		14 000

	Opening balance	Total
	14 000	14 000

	Opening balance	Total
	14 000	14 000

2016

Note(s)	2016	2015
		Re Stated
	8 305 971	4 893 741
	64 372	11 005 300
	8 370 343	15 899 041
	89 919	89 919
	2 066 941	2 745 487
	2 156 860	2 835 406
ions		
	185 146	178 657
	12 784 057	11 532 891
	12 969 203	11 711 548
	178 657	852 393
	4 642 651	1 204 300
	-192 660	-197 620
	-4 443 502	-1 680 416
	185 146	178 657

2016

Note(s)	2016	2015
		Re Stated
	168 761 315	193 648 236
	250 930 645	179 817 579
	39 247 331	8 851 524
	10 184 417	29 851 727
	2 132 107	7 963 626
	471 255 815	420 132 692
	-23 906 675	(81 434 589)
	-205 995 916	(96 911 851)
	-38 315 983	(2 293 358)
	-8 329 318	(11 802 432)
	-276 547 892	(192 442 230)
	144 854 640	112 213 647
	44 934 729	82 905 728
	931 349	6 558 166
	1 855 099	18 049 295
	2 132 107	7 963 626
	194 707 924	227 690 462
	19 302 111	104 916 910
	6 396 093	2 608 673
	6 342 998	2 025 220
	5 939 358	1 945 044
	130 780 755	82 152 389
	-23 906 675	(81 434 589)
	144 854 640	112 213 647
	13 648 922	12 319 601
	8309156	7 383 275
	7 508 041	7 622 074
	7842574	6 619 569
	213 621 952	145 873 060
	205 995 916	(96 911 851)
	44 934 729	82 905 728

2016

Note(s)	2016	2015
		Re Stated
	354 459	310 147
	202 334	159 612
	151 813	200 195
	142 507	179 099
	9 333 303	8 002 471
	-8 329 318	(2 293 358)
	1 855 098	6 558 166
	906 328	781 617
	892 624	758 955
	884 769	758 300
	878 386	750 768
	35 685 224	26 802 087
	-38 315 983	(11 802 432)
	931 348	18 049 295
	2 132 107	7 963 626
	11 194 912	9 270 063
	8 917 921	6 992 083
	8 624 106	7 580 022
	8 873 363	6 819 445
	242 535 095	165 751 091
	280 145 397	196 412 704
	-276 547 891	(192 442 230)
	3 597 506	3 970 474

2016

Note(s)	2016	2015
		Re Stated
	6 161 781	6 369 253
	2 966 401	2 712 919
	1 973 142	2 384 456
	1 891 094	2 004 691
	97 243 879	80 601 523
	110 236 297	94 072 842
	16 855 128	102 506 127
	3 915 885	1 206 276
	4 290 373	642 207
	4 038 368	672 176
	49 642 260	16 656 733
	78 742 014	121 683 519
	34 211 821	118 145 443
	15 800 207	10 911 278
	14 887 622	10 606 684
	14 802 825	9 496 312
	389 421 234	263 009 347
	2 132 107	7 963 627
	471 255 816	420 132 691
	276 547 891	(192 442 230)
	194 707 925	227 690 461
		(192 442 230)
	-192 442 230	(133 331 343)
	-84 105 661	(59 110 887)
	-276 547 891	(192 442 230)

/

30 June 2016

2016	2015
	Re Stated
20 000	20 000
20 688 339	11 346 756
87 302 904	74 116 707
27 265 399	249 802
135 276 642	85 733 265

dated 10/12/2012 on

001 of income streams
over stand 739 Mogwase Unit 2

Amounts

Bank statement balances			Cashbook balances		
30 June 2016	30 June 2015	30 June 2014	30 June 2016	30 June 2015	30 June 2014
20 249 250	11 380 943	11 902 659	19 649 624	10 592 629	17 430 483
10 279 104	27 450 737	18 105 823	10 279 104	27 450 737	18 105 823
407 697	338 701	782 441	407 697	338 701	782 441
631 018	415 426	208 317	631 018	415 426	208 317
20 000	-	-	20 000	20 000	20 000
31 460 316	12 454 016	75 719 605	31 460 316	12 454 016	75 719 605
-	9 404	9 021	-	9 404	9 021
40 222 095	28 816 714	48 975 669	40 222 095	28 816 714	48 975 669
-	70 649	4 451 806	-	70 649	4 451 806
-	194 725	186 841	-	194 725	186 841
5 341 389	5 120 462		5 341 389	5 120 462	
265 399	249 802	236 869	265 399	249 802	236 869
27 000 000			27 000 000		
135 876 268	86 501 579	160 579 051	135 276 642	85 733 265	166 126 875

Investment is ceded to Eskom
re.
Due to the fixed deposit at ABSA which is for 12 months and therefore a current investment
of 249 802

2016

Note(s)	2016	2015
		Re Stated
	3 581 744	4 161 038
	1 184 321	1 095 978
	4 766 065	5 257 016
		3 527 871
	1 533 386	2 709 217
	1 533 386	6 237 088
	1 533 386	6 237 088
	4 766 065	5 257 016
	6 299 451	11 494 104
	11 494 104	15 328 528
	-5 194 653	-3 834 424
	6 299 451	11 494 104

average effective borrowing rate was

contract date.

cured by the lessor's charge

2016

	Note(s)	2016	2015
it			
		14 441 346	2 074 386
		233 706	127 621
			58 385
			226 694
			100 000
		0	
		14 675 052	2 587 086

	2 587 086	23 575 846
	14 675 052	
	-2 587 086	-20 988 760
	14 675 052	2 587 086

gnised in the financial
e from which the municipality

aching to government assistance that has been recognised.

I/Provincial Government

	9 951 426	10 985 320
	21 416 206	24 696 112
	30 317 324	33 018 491
	61 684 956	68 699 923

	61 684 956	68 699 923
--	------------	------------

53 818 653 61 682 457

	7 866 303	7 017 466
--	-----------	-----------

IT Equipment with lease terms of 5 (2012:5) years
25%. Capitalised Lease Liabilities are
it is leased.

ears at interest rates varying from 8,8% to 14% per annum.

tion that the carrying value of the Long-term Liabilities
Financial Statements approximate their fair values

Liabilities

2016

	Note(s)	2016	2015
			Re Stated
ds		1 171 134	1 155 216
		1 140 071	
		2 311 205	1 155 216
Awards		12 468 597	11 313 381
		25 277 748	20 573 941
		37 746 345	31 887 322

plan for all its employees. Under the plan, a Long-Term Service Award is paid every 5 years thereafter to employees.

the month that each "Completed Service" milestone is reached multiplied by the employee's annual earnings per day.

ts and the present value of the defined benefit obligation were calculated using the following assumptions: The present value of the benefit obligation, and the expected future salary cost, were measured using the Projected Unit Credit Method.

eligible for Long-Term Service Awards

June 2016 is estimated to be R1 218 563, whereas the cost for the

of the actuarial valuations were as follows:

	2016	2015
	8.61%	8.11%
	7.26%	7.12%
	1.26%	0.92%
	6%	7%
	65	65
	SA85-90 Mixed Ultimate	

2016

Note(s)	2016	2015
		Re stated
	465	448
	283 834	271 429
	44.0	43.6
	11.3	10.9

Benefit Obligation were as follows

	12 468 597	11 030 900
	1 218 563	1 051 113
	964 685	850 362
	-1 155 216	-1 014 864
	143 102	551 086
year	13 639 731	12 468 597

Financial Performance

	1 218 563	1 051 113
	964 685	850 362
	143 102	551 086
	2 326 350	2 452 561

Notes:

	Re Stated	Re Stated
2016	2015	2014
13 639 731	12 468 597	11 030 900

As stated as the municipality did not
provisions regarding Long Service Awards
2016 financial year

costs for the Madukwe and Mogwase Landfill Sites were done by

been re stated due to the non provision for the Madikwe

the rehabilitaion of the landfill sites were as follows:

Mogwase	Madikwe
6.2064%	6.2064%
8.4564%	8.4564%
2.25%	2.25%

2016

Note(s)	2016	Re stated 2015
---------	------	-------------------

the following:

	Mogwase	Madikwe
		0
	4 555 058	4 555 058
	168 500	168 500
	162 455	162 455
	51 854	77 952
	675 639	507 840
	353 465	265 680
	46 209	34 733
	189 026	142 080
	0	0
	0	0
	0	0
	0	0
	112 932	112 932
	414 090	414 090
	229 941	229 941
	43 875	43 875
	36 891	36 891
	7 039 935	6 752 027

ncial Performance

	-184 433	-288 872
	282 114	384 527
	97 681	95 655
	2016	2015

	4 610 842	4 515 187
	-184 433	-288 872
	282 114	384 527
	4 708 523	4 610 842

	0	0
	4 703 807	0
	0	
	4 703 807	0

	15 963 099	15 874 545
	1 042 390	88 554
		0
	17 005 489	15 963 099

	20 573 941	20 389 732
	5 561 764	-200 318
	282 114	384 527
	26 417 819	20 573 941

2016

Note(s)	2016	2015
		Re Stated
	20 218 390	18 835 093
	20 928 677	24 422 201
	16 236 389	12 242 105
	20 365 152	20 879 944
	410 214	342 439
	59 770	1 194 395
	78 218 592	77 916 177

he council is based on the actual
ed on the annual actual package of each employee

132 747 088	127 753 041
121 027	105 115
26 196	5 287
9 000	0
1 382 784	1 137 420
52 207 237	33 161 846
97 112 317	65 624 393
463 233 033	431 618 736
4 642 650	1 204 300
751 481 332	660 610 138

exchanges

127 220 267	127 753 041
121 027	105 115
26 196	5 287
9 000	0
1 382 784	1 137 420
52 207 237	33 161 846
180 966 511	162 162 709

non-exchange

97 112 317	65 624 393
463 233 033	431 618 736
4 642 650	1 204 300
564 988 000	498 447 429

2016

Note(s)	2016	2015
		Re Stated
	7 739 888	604 057
	4 905 187	5 653 630
	57 076 222	33 399 563
	25 606 464	24 097 680
	1 784 556	1 683 448
	97 112 317	65 438 378

1 037 742 200	928 262 500
290 608 100	1 035 309 800
29 511 200	27 936 200
1 009 147 001	788 676 907
12 283 400	11 442 000
25 277 000	
21 509 000	178 590 000
535 850 000	535 850 000
30 197 000	35 157 700
1 008 641 400	1 513 062 100
20 895 000	16 170 000
169 193 900	
8 265 100	12 992 100
4 199 120 301	5 083 449 307

effective from July 2012 and its

97 070 397	102 913 956
2 566 959	2 854 720
27 582 911	21 933 150
127 220 267	127 701 826

322 570 000	275 714 000
1 600 000	1 600 000
1 446 000	1 845 000
12 500 000	15 199 975
930 000	934 000
952 300	530 679
	0
226 694	3 773 306
340 224 994	299 596 960

2016

Note(s)	2016	2015
ued)		
	119 743 936	128 836 977
	3 264 103	3 184 798
	123 008 039	132 021 775
	463 233 033	431 618 735

l subsidies received:

	140 663 033	155 904 735
	322 570 000	275 714 000
	463 233 033	431 618 735
	2 074 386	23 259 161
	135 375 000	110 837 000
	-123 008 039	(132 021 775)
	14 441 347	2 074 386

ote 12).

	1 446 000	1 845 000
	-1 446 000	(1 845 000)
	0	-

ote 12).

	127 621	258 300
	1 000 000	400 000
	-893 416	(530 679)
	234 205	127 621

500 difference librarian cellphone allowance

2016

Note(s)	2016	2015
ued)		
	58 385	58 385
	-58 385	
	0	58 385

note

	930 000	(934 000)
	-930 000	934 000
	0	-

note

	1 600 000	(1 600 000)
	-1 600 000	1 600 000
	0	-

note

	12 500 000	(7 500 000)
	-12 500 000	7 500 000
	0	-

note

	226 694	
		4 000 000
	-226 694	(3 773 306)
	0	226 694

note 12).

2016

Note(s)	2016	2015
	100 000	100 000
	-100 000	
	0	100 000

ued)

ote 12).

	-7 699 975
	7 699 975
	0

ote 12).

21 584	17 717
325 255	82 727
24 645	21 497
14 861	8 875
50 958	43 492
149 940	367 005
644 400	418 571
119 798	169 321
	0
29 060	5 000
1 116	2 315
1 167	901
1 382 784	1 137 421

2016

Note(s)	2016	2015
		Re Stated
	2 828 792	3 023 957
	732 122	1 005 802
	150 321	117 005
14 979 538	14 979 538	17 487 605
	702 466	112 087
	1 061 631	2 098 152
	0	11 430
	1 038 451	400 032
	129 926	143 434
	1 277 364	1 700 781
	450 527	326 027
9 113 669	9 113 669	7 313 002
	332 322	76 175
	5 065	4 198
	0	500
	2 098 674	2 402 822
39 010 320	39 010 320	32 764 291
	93 563	108 090
2 263 644	2 263 644	1 637 636
	250 600	339 255
	2 280 715	157 518
	214 462	231 961
	192 787	53 440
17 168 644	17 168 644	27 673 559
	1 846 233	1 571 186
11 441 077	11 441 077	8 582 037
	5 204 425	15 202 429
3 030 541	3 030 541	2 324 426
	9 594 975	9 026 104
	4 806 940	4 501 706
2 549 877	2 549 877	2 291 494
	3 488 237	72 221
	633 408	568 566
	1 488 419	718 090
	248 614	26 505
	55 767	276 717
	395 870	198 249
21 276 806	21 276 806	16 443 867
	162 436 792	160 992 356

2016

Note(s)	2016	2015
		Re Stated
	100 949 098	91 571 580
	1 457 894	
	12 125 108	5 773 565
	7 417 589	6 183 583
	781 949	682 419
nd	931 974	857 948
	6 965 095	6 247 712
	256 527	177 672
	670 386	58 862
	18 614 490	16 339 552
	47 709	59 793
	3 057 984	2 383 511
	6 000	6 000
	151 552	109 869
	1 358 555	
	154 791 910	130 452 066
	830 280	1 027 921
	83 974	167 948
	16 910	21 814
	-931 164	-1 217 683
	0	0
	975 027	909 774
		0
	204 090	192 044
	-1 179 117	-1 101 818
	0	0
	900 892	485 577
	144 000	96 000
	1 872	1 088
	-1 046 764	-582 665
	0	0

2016

Note(s)	2016	2015
	802 111	744 346
	60 000	60 000
	184 888	173 937
	-1 046 999	-978 283
	0	0

	1 024 391	976 417
	23 373	1 866
	-1 047 764	-978 283
	0	0

irector

	826 226	766 455
	72 000	72 000
	148 538	139 828
	-1 046 764	-978 283
	0	0

	499 069	456 541
	372 641	338 650
	3 576 322	3 394 810
	411 274	377 254
	1 721 245	1 587 861
	511 170	477 975
	4 825 154	4 409 356
	7 389 081	6 628 205
	1 487 992	1 483 267
	20 793 948	19 153 919

office bearers and councillors of the Municipality, whether financial or
k as envisage in section 219 of the Constitution.

2016

Note(s)	2016	2015
		Re Stated
	1 171 134	1 437 697
	5 843 878	184 209
	7 015 012	1 621 906
	4 443 502	1 680 416
	77 380 935	59 110 887
	81 824 437	60 791 303
	10 123 414	9 761 336
	373 857	529 908
	41 709 966	22 870 603
	52 207 237	33 161 847
	46 184 542	66 414 822
	8 590 181	9 315 631
	14 575 657	40 207
	18 047 666	24 292 831
	32 623 323	24 333 038
	63 205 858	55 557 172

2016

Note(s)	2016	2015
	124 643 447	74 363 306
	46 184 428	66 414 822
	616 892	4 074 170
	81 842 437	59 110 887
	2 311 205	(21 783 246)
	-7 562 884	(2 551 511)
	678 546	(1 148 350)
	-56 201 077	(67 444 507)
	-1 257 655	812 273
	1 672 490	4 980 416
	-4 696 785	25 506 427
	12 087 966	(20 988 760)
	200 319 010	121 345 927

	13 423 552	37 662 859
	1 017 794	585 856
	14 441 346	38 248 715

id will be financed by available bank facilities, retained surpluses,
age facilities, existing cash resources, funds internally generated,

2016

onstruction of the new Mogwase Waste Disposal Site. Fencecor
R2 111.00 which flows from a cession/direct payment agreement
Municipality.

Maximum amount of cession has already been paid and exceeded.
Finalisation and verdict.

Attorneys in Mafikeng.

on of low cost housing in Unit 8 Mogwase. R&T is suing the
cession/direct payment agreement between the main contractor, R&T.

The main contractor's contention that R&T is misrepresenting the
cession document. A meeting between the contractor and
exchanged. The correct document indicates that the
the Municipality have filed its plea in this matter and is awaiting

es and compensation for pain and suffering by a motorist whose
Mogwase. Transnet has filed an application at the Court to join the
financial liabilities if Transnet should be found to be liable.

required responsibilities and requirements had been taken care of
se. An investigation by an independent investigator found that the
d and that brake failure caused the accident.
matter. The municipality is awaiting the trial date in this matter

at Mogwase.

2016

g payment of property rates. NWDC owes the Municipality
eturn NWDC claims compensation from the Municipality for
) the amount of R 18 Million as well as arrear rental amounts
was referred to Provincial and National Treasury for mediation

h NWDC whereby mutual payment by the parties for their
The parties are currently paying their respective dues.

d and the parties will consider all options, including high level

16 000.00. The hardware store indicated that materials and goods
d. No finer detail of order numbers or responsible municipal officials

the Municipality yet and the matter remains unresolve.

enefits that were allegedly taken away by the Municipality when

se will in all probability be referred to the SALGBC for conciliation/

sultants is claiming R 200 000.00 from the municipality for work
rategy for the Municipality but only submitted their invoice for

ry late submission of the claim and Mr. Matlawe referred the
soute resolution (ADR).

è Public Protector and a settlement will be negotiated after all
ic Protector.

2016

iba, a contractor that was appointed by the Municipality.

s interest and costs because they allege that the Municipality
ned between all the parties.

the fact that Sitona never submitted an invoice for payment

Lefika La Thaba, a contractor that was appointed by the

erden obtained a Court order and Writ of execution against Lefika
ka La Thuba as well as the Municipality.

ount of R 833 000.00 left on the project.

Sakkie Smith Attorneys for safekeeping pending finalisation
en set for 25 August 2016 in the High Court, Mmabatho.

ing various projects in and around the Municipality.
es Board.

e Lotteries Board but the money was paid into the bank account

paid out for about 3 years. When it was eventually paid out and
found a shortfall in the funds to the amount of R 549 314.80.

Municipality due to the delay in paying out their funds.

nicipality for non-compliance with the Occupational Health and
aces fines exceeding R 360 000.00.

2016 and was given 60 days to rectify all non-compliance matters

2016

oi and she was sanctioned with a written warning.
Labour Court and still awaiting date for hearing,

o ruled in her favour. She is to be reinstated with immediate
e R 314 623.44 for the unfair suspension.

C siting the pending case with the labour court,

29 from Ranamane Phungo which was errenenously paid by the
r Phungo who was no longer practicing as Ranamane Phungo.

) in arrear property rates (2002-2014).

2016

and liabilities pertinent to the prior year revealed the accounting

nt for the trade payables not accounted for during year end.

as acccounts which were not properly accounted for.

/ accounted for.

nt for inventory not accounted for during year end.

ent of opening balances due to the implementation of a new

2016

Note(s)

2015

1
-1

unded by the

7 018 870
-7 018 870

culated surplus
clear whether

18 895 770
-18 895 770

included VAT

404 697
-404 697

unded by the

783 704
-783 704

unded by the

250 682
-250 682

14 266 700
-14 266 700

sets

-41 119 060

2016

Note(s)

2015

	14 595 548
set due to review of	-14 595 548

	1 229 696
	-1 229 696

	6 327 376
set due to review of	-6 327 376

	-41 119 060

	-95 601
	95 601

	966 276
able assets	-966 276

	56 492
	-56 492

	18 978
	-18 978

2016

Note(s)

	2015	Prior Year
	858 898	
	-858 898	
	186 015	
	-186 015	
tors for property rates		
	32 626	
	-32 626	
	40 207	
	-40 207	
	4 518 302	
	-4 518 300	
	39 046	
	-39 046	
	-4 860	
	4 860	
	138 492	
	-138 492	
	-12 170	
	12 170	
		1 375 948
		-1 375 948
iation		
	1 437 697.00	11 030 900
	-1 437 697.00	-11 030 900
	5 820 896	0
	0	
	5 820 896	

2016

Note(s)

of land fill sites that was not provided:

4 515 187.00
(4 515 187.00)
18 835 092.79
18 835 092.79
249 802.00
(249 802.00)
3 805 195.00
(3 805 195.00)
95 655.00
(95 655.00)



or the establishment and oversight of the municipality's risk management policies are established to identify and analyse the risk limits and controls and to monitor risks and adherence to

services to the business, co-ordinates access to domestic and manages the financial risks relating to the operation of the municipality are by degree and magnitude of risks. These risks include market (interest rate risk and price risk), credit risk, liquidity risk and cash flow

and the way in which they are financed, municipalities are not like many business entities. Financial Instruments play a much more limited role than would be typical of listed companies to which the IAS's mainly apply. Financial instruments are generated by day-to-day operational activities and are not held to support the financing of its activities.

As the financial risks relating to the operations through internal control systems are interest rate risk, credit risk and liquidity risk. Risk management policies are designed to reflect changes to market conditions and the municipality's financial position. The policy is reviewed by the internal auditors on a continuous basis, and the municipality does not enter into or trade financial instruments for speculative

framework and monitoring and responding to potential risk, reports to the Council, an independent body that monitors the effectiveness of the

of financial risks: market risk, credit risk and liquidity risk. Market risk includes interest rate risk and other price risk. It is the policy of the municipality to use the user of its Annual Financial Statements to evaluate the financial risks to which the municipality is exposed on the reporting date.

The Council focuses on the unpredictability of financial markets and seeks to ensure the municipality's financial performance. Risk management is carried out by the Council (Treasury Department) under policies approved by the Council. The Council manages its financial risks in close co-operation with the municipality's internal auditors for overall risk management, as well as written policies covering the various elements of market risk.

2016

y risk, interest rate risk and other price risk.

e cash flows of a financial instrument will fluctuate because of

air value or future cash flows associated with a financial
market interest changes.

ure cash flows of a financial instrument will fluctuate because of
g from interest rate risk or currency risk), whether those changes
ancial instrument or its issuer, or factors affecting all similar

cipality if a customer or counterparty to a Financial Instrument
principally from the municipality's receivables from customers
erparty will default on its contractual obligations resulting in

encounter difficulty in meeting the obligations associated with its
sh or another financial asset.

is to ensure, as far as possible, that it will always have sufficient
h normal and stressed conditions, without incurring unacceptable
utation.

ets are reinvested at maturity at competitive interest rates in
managed by ensuring that all contractual payments are met on a
angements are established at competitive rates to ensure that

apital are to safeguard the Municipality's ability to continue
r the stakeholders and to maintain optional capital structure to

debt , which includes the borrowings as disclosed in note 12,
d equity as disclosed in the statement of financial position.

ipality monitors capital on the basis of gearing ratio.

2016

total capital. Net debt is calculated as total borrowings (including the statement of financial position) less cash and cash equivalent . /n in the statement of financial position plus net debt.

g ratio of between 5% to 15% . There are no externally imposed

ality manages as capital , the strategy for capital maintenance or previous financial year.

vere as follows:.

	2016	2015
	107 837 217	93 932 961
	93 098 384	99 806 867
	135 276 642	85 733 265
	1 385 857 313	1 253 862 877
	1 451 516 272	1 533 335 970

is to ensure, as far as possible, that it will always have sufficient h normal and stressed conditions, without incurring unacceptable utation.

ets are reinvested at maturity at competitive interest rates in managed by ensuring that all contractual payments are met on a angements are established at competitive rates to ensure that

g sufficient cash and marketable securities, the availability of d credit facilities and ability to close out market positions . Due to , municipality treasury maintains flexibility in funding by maintaining

funds available to cover future commitments. The municipality of future commitments and credit facilities.

ebt collection policy and obtains sufficient collateral, where nancial loss from defaults. The municipality uses its own trading cipality's exposure of its counterparties are monitored regularly.

2016

mainly of fixed deposit investments, long-term receivables,

links with high quality credit standing and limits exposure to any credit risk at year end were as follows:

2016	2015
194 707 925	227 690 462
2 156 860	2 835 406
135 276 642	85 733 265
12 969 203	11 711 548
0	0

5

from its short-term investments (financial assets that are neither established financial institutions short term credit rating of BBB or International accredited credit rating agency. The municipality's aggregate value of transactions concluded is spread amongst different accordance with it's investment policy. Consequently, credit risk. credit risk.

from its money market investments operations (financial only dealing with well-established financial institutions of single counterparty is manage by setting transaction/exposure investments policy. These limits are reviewed by the Chief ncil.

from its money market investment operations (financial assets dealing with Absa Bank, First National Bank, Nedbank and Standard elve months are made.

by consumers and are presented net of impairment losses. and the exposure to credit risk is monitored on an on-going basis. institutional mandate to provide all its residents with basic minimum creditworthiness. Subsequently, the municipality has no control properties in the designated municipal area and consequently lered to them.

ustomers, spread across diverse industries in the geographical is performed on the financial condition of accounts receivable sed accordingly.

2016

f ratepayers, dispersed across different industries and municipality. On-going credit evaluations are performed on the

on for impairment.

i arrears, it is endeavoured to collect such accounts by "demand resort, "handed over for collection", whichever procedure is Debt Collection Policy.

lowing ways, in addition to its normal credit control and debt

pal Systems Act (MSA), which permits the municipality to refuse ; outstanding from a previous debtor on the same property; revenue clearance certificate, that any debt remaining from the er, if the previous owner does not settle the outstanding amount; ment devices that control water flow to households.

to credit risk and its objectives, policies and processes for under review. The municipality's maximum exposure to credit risk cial asset in the Statement of Financial Position, without taking The municipality has no significant concentration of credit risk, sumers, and is not concentrated in any particular sector or

airment that represents its estimate of anticipated losses

air value or future cash flows associated with a financial market interest changes.

to interest rate risk are cash and cash equivalents investments, d to interest rate risk on these financial instruments as the rates

ist mainly of variable rate deposit investments, long-term nk and cash balances.

from its money market investment operations by only dealing with t standing. No investment with a tenure exceeding twelve months

2016

from its money market investment operations by only dealing with Standard Bank. No investments with tenure exceeding twelve months

of ratepayers, dispersed across different industries and

on for impairment .

In arrears, it is endeavoured to collect such accounts by 'demand' or 'resort, ' handed over for collection', whichever procedure is adopted in the Debt Collection Policy. Consumer Deposits are increased

individually evaluated annually at Balance Sheet date for impairment of debtors is drafted to substantiate such evaluation and acceptable.

risk as the municipality borrows funds at fixed interest rates.

re to foreign exchange risk as it does not engage in transactions in any foreign currencies.

securities and is not exposed to price risk as a result.

2016

Note(s)	2016	2015
---------	------	------

3, the municipality had accumulated surplus of R 1 385 857 313 liabilities by R 1 385 857 313.

the basis of accounting policies applicable to a going concern.
o finance future operations and that the realisation of assets and
l commitments will occur in the ordinary course of business.

	16 694 649	12 080 866
	6 291 848	19 336 929
		6 291 848
	-6 291 848	-21 445 525
		2 108 596
	0	6 291 848

ing the tabling of the annual report in January 2016 to authorise
2014/2015 financial year

	10 112 683	9 703 835
	72 254	408 848
	-1 218 685	
	8 966 252	10 112 683

per age classification

	72 254	408 848
	8 893 998	9 703 835
	8 966 252	10 112 683

he interest on Eskom accounts.
2016 to avoid recurrence of this matter

	2016	2015
opening	0	0
fruitless		
unauthorize		
irregular		
current	0	0
fruitless		
unauthorize		
irregular		
closing bal:	0	0

2014

0

0

0

0

0

0

016

Note(s)	2016	2015
	296 872 958	222 496 451
	52 908 952	74 376 507
	349 781 910	296 872 958

ie Value of R142 102 088 and refer these transaction to National
'2016

per age classification

	52 908 952	74 376 507
	296 872 958	222 496 451
	349 781 910	296 872 958

Disciplinary steps
taken/criminal proceedings

Investigation has been concluded and the municipality purchased its own water tankers	2 187 660
Investigation has been concluded and the contracts has been terminated	4 680 000
Investigation has been concluded and council has condoned	15 850 305
Investigation has been concluded and council has condoned and the resolution has been submitted to National treasury for their consideration	30 131 512
Disceplinary action has been instituted against the employee	59 475

52 908 952

Finance Management Act

	2 019 188	1 772 277
	-2 019 188	(1 772 277)
	-	-

3 220 429	3 449 620
-3 220 429	(3 449 620)
-	

2016

Note(s)	2016	2015
al Finance Management Act		
	24 469 609	21 939 960
	-24 469 609	-21 939 960
	0	-
	26 025 100	24 262 147
	-26 025 100	-24 262 147
	0	0
	14 632 471	28 831 456

are shown in note .

late throughout the year.

Note(s)	2016
---------	------

	Outstanding less tha 90 days R	Outstanding less than 90 days R	Total R
	1 074	29 077	30 151
	2 636	22 477	25 113
	750	2 712	3 462
	803	13 988	14 791
	1 090	16 175	17 265
	492	5 679	6 171
	145	2 025	2 170
	765	10 217	10 982
			0
	7 755	102 350	110 105

were in arrear for more than 90 days

ain Management Regulations :
ned by the City Manager and noted by Council. The expenses incurred

2016

al Finance Management Act

ain Management Regulations an
ned by the City Manager and noted by Council. The expenses
l.

regulations

27636 issued on 30 May 2005
ervices by way of a competitive bidding process.

accounting officer may dispense with the official procurement
e records the reasons for any deviations and reports them to
ancial statements.

chain management the Municipality has incurred deviation to the
uncil for noting . The Municiplaity has been complying with
iations recorded for the year.

ality

ear ended 30 June 2016

Schedule of external loans as at 30 June 2016					
Loan Number	Interest Rate	Balance at 30 June 2015	House Owners Insurance	Redeemed written off during the period	Balance at 30 June 2016
		Rand	Rand	Rand	Rand
84212539		139 465	-	39 858	99 607
84312652		139 465	-	39 858	99 607
84312784		139 465		39 858	99 607
84312962		139 465	-	39 858	99 607
84312989		139 465	-	39 858	99 607
84313128		139 465	-	39 858	99 607
84313357		139 465	-	39 858	99 607
84314620		139 521	-	39 874	99 647
84314850		223 022	-	63 737	159 285
84314906		139 521	-	39 874	99 647
84314981		150 127	-	42 905	107 222
84315023		223 022	-	63 737	159 285
84315180		223 022	-	63 737	159 285
84315210		251 997	-	72 018	179 979
84315317		139 521	-	39 874	99 647
84315392		223 022	-	63 737	159 285
84315422		139 521	-	39 874	99 647
84315520		139 521	-	39 874	99 647
84315597		139 521	-	39 874	99 647
84315759		139 521	-	39 874	99 647
84315830		139 521	-	39 874	99 647
84315937		139 521	-	39 874	99 647
84316038		139 521	-	39 874	99 647
84316437		139 521	-	39 874	99 647
8065717250		1 239 166	10 337	66 577	1 182 926
-		9 746 152	-	977 653	8 768 499
		14 790 516	10 337	2 131 721	12 669 132

ality

ear ended 30 June 2016

Schedule of external loans as at 30 June 2016

	Loan Number	Interest Rate	Balance at 30 June 2015	House Owners Insurance	Redeemed written off during the period	Balance at 30 June 2016
			Rand	Rand	Rand	Rand
			6 175 558		419 637	5 755 921
			5 018 325		343 340	4 674 985
d Mogwase			2707312		348002	2 359 310
			19 117 297		1 590 189	17 527 108
			33 018 492		2 701 168	30 317 324
	-	14%	5 086 375	-	1 830 075	3 256 300
50610027704	11.40%		8 829 090	-	979 006	7 850 084
Loan 9078	11.83%		8 347 134	-	322 413	8 024 721
18721	13.85%		2 433 512	-	148 411	2 285 101
			24 696 111	-	3 279 905	21 416 206
			14 790 517	10 337	2 131 721	12 669 133
			33 018 492		2 701 168	30 317 324
			24 696 111		3 279 905	21 416 206
			72 505 120	10 337	8 112 794	64 402 663

) June 2016

Analysis of property, plant and equipment as at 30 June 2016

Cost/Revaluation								Accumulated depreciation						
Opening Balance Rand	Prior Year Corrections	Restated Opening Balance	Additions Rand	Disposals Rand	Transfers Rand	Adjustment Fair Value Rand	Under Construction Rand	Closing Balance Rand	Opening balance Rand	Prior Year Corrections	Restated Opening Balance	Disposals Rand	Impairment Rand	Depreciation Rand
13 026 149		13 026 149	-	-	11 005 300	-	-	24 031 449	-			-	-	-
9 205 549		9 205 549						9 205 549						
28 399 088		28 399 088		-		-		28 399 088	(7 577 231)		(7 577 231)		(256 713)	(74 486)
50 630 786		50 630 786	-	-	11 005 300	-	-	61 636 086	(7 577 231)		(7 577 231)		(256 713)	(74 486)
486 361 997		486 361 997	77 202 488					563 564 485	(305 548 569)		(305 548 569)		(3 062)	(15 272 541)
37 568 016		37 568 016						37 568 016	(10 883 857)	1	(10 883 856)			(213 310)
349 271 358	7 202 499	356 473 857	7 042 568					363 516 425	(168 142 793)	(1 853 000)	(169 995 793)			(1 448 374)
39 731 555	(258 714)	39 472 841	20 048 474	(198 967)				59 322 348	(28 657 895)	2 609 787	(26 048 108)	170 799	(1 081 715)	(2 293 541)
4 396 025		4 396 025						4 396 025	(3 173 459)	9 469	(3 163 990)			(43 681)
79 374 202	(126 995)	79 247 207	49 110	(59 125)				79 237 192	(32 433 516)	117 047	(32 316 469)	31 043	(229 303)	(512 815)
199 714 964	8 954 865	208 669 829		(400 000)				208 269 829	(139 767 969)	(459 878)	(140 227 847)	314 714		(755 218)
10 154 796		10 154 796	5 219 275					15 374 071	(6 292 738)	34 449	(6 258 289)			(316 847)
2 675 694		2 675 694	3 106 943					5 782 637	(148 506)		(148 506)			(99 051)
73 119 057	(68 391)	73 050 666	48 479	-	-	-		73 099 145	(40 462 193)	91 348	(40 370 845)			(312 760)
31 486 049	4 708 523	36 194 572	10 055 398	-	-	-	-	46 249 970	(17 254 705)		(17 254 705)			(68 007)
241 009 335		241 009 335	15 425 051		-29 514 380			226 920 006						
1 554 863 048	20 411 787	1 575 274 835	138 197 786	(658 092)	(29 514 380)	-	-	1 683 300 149	(752 766 200)	549 223	(752 216 977)	516 556	(1 314 080)	(21 336 145)
6 258 668		6 258 668	24 978 982					31 237 650	(2 652 963)		(2 652 963)	-	-	(12 676)
58 348 376		58 348 376						58 348 376	(17 964 988)		(17 964 988)	-	-	(539 709)
4 124 932		4 124 932						4 124 932	(1 311 435)		(1 311 435)	-	-	(10 388)
21 289 934		21 289 934						21 289 934	(9 540 716)		(9 540 716)	-	-	(49 444)
7 381 168		7 381 168	166 838					7 548 006	(2 503 355)		(2 503 355)	-	(486 230)	(19 035)
64 758 851		64 758 851	4 157 895		-6 280 449			62 636 297						
162 161 929		162 161 929	29 303 715	-	(6 280 449)	-	-	185 185 195	(33 973 457)		(33 973 457)	-	(486 230)	(631 252)

Municipality
V375
or the year ended 30 June 2016

d)

Analysis of property, plant and equipment as at 30 June 2016

Cost/Revaluation									Accumulated depreciation					
Opening Balance Rand	Prior Year Corrections	Restated Opening Balance	Additions Rand	Disposals Rand	Transfers Rand	Adjustment Fair Value Rand	Under Construction Rand	Closing Balance Rand	Opening balance Rand	Prior Year Corrections	Restated Opening Balance	Disposals Rand	Impairment Rand	Depreciation Rand
14 000			-	-	-	-	-	14 000	-			-	-	-
14 000			-	-	-	-	-	14 000	-			-	-	-
50 178 379	6 324 640	56 503 019	10 653 444		-		-	67 156 463	(25 275 348)	6 708 656	(18 566 692)		-	(6 911 364)
7 998 079	(1 428 063)	6 570 016	714 035	-	-	-	-	7 284 051	(7 599 039)	4 085 045	(3 513 994)	-	-	(608 664)
9 081 252	(346 335)	8 734 917	4 256 478	-	-	-	-	12 991 395	(4 461 737)	1 900 325	(2 561 412)	-	-	(1 237 524)
44 884 203	1 589 068	46 473 271	27 480 517	-	-	-	-	73 953 788	(10 749 873)	3 051 739	(7 698 134)	-	-	(14 393 858)
112 141 913	6 139 310	118 281 223	43 104 474	-	-	-	-	161 385 697	(48 085 997)	15 745 765	(32 340 232)	-	-	(23 151 410)

ility

ir ended 30 June 2016

Analysis of property, plant and equipment as at 30 June 2016														
Cost/Revaluation								Accumulated depreciation						
Opening Balance Rand	Prior Year Corrections	Restated Opening Balance	Additions Rand	Disposals Rand	Transfers Rand	Adjustment Fair Value Rand	Under Construction Rand	Closing Balance Rand	Opening balance Rand	Prior Year Corrections	Restated Opening Balance	Disposals Rand	Impairment Rand	Depreciation Rand
pment														
50 630 786	-	50 630 786	-	-	11 005 300	-	-	61 636 086	(7 577 231)	-	(7 577 231)	-	(256 713.0)	(74 486)
1 554 863 048	20 411 787	1 575 274 835	138 197 786	(658 092)	(29 514 380)	-	-	1 683 300 149	(752 766 200)	549 223	(752 216 977)	516 556	(1 314 080.0)	(21 336 145)
162 161 929	-	162 161 929	29 303 715	-	(6 280 449)	-	-	185 185 195	(33 973 457)	-	(33 973 457)	-	(486 230.0)	(631 252)
14 000	-	-	-	-	-	-	-	14 000	-	-	-	-	-	-
112 141 913	6 139 310	118 281 223	43 104 474	-	-	-	-	161 385 697	(48 085 997)	15 745 765	(32 340 232)	-	-	(23 151 410)
1 879 811 676	26 551 097	1 906 348 773	210 605 975	(658 092)	(24 789 529)	-	-	2 091 521 127	(842 402 885)	16 294 988	(826 107 897)	516 556	(2 057 023)	(45 193 293)
50 630 786	-	50 630 786	-	-	11 005 300	-	-	61 636 086	(7 577 231)	-	(7 577 231)	-	(256 713.0)	(74 486)
1 554 863 048	20 411 787	1 575 274 835	138 197 786	(658 092)	(29 514 380)	-	-	1 683 300 149	(752 766 200)	549 223	(752 216 977)	516 556	(1 314 080.0)	(21 336 145)
162 161 929	-	162 161 929	29 303 715	-	(6 280 449)	-	-	185 185 195	(33 973 457)	-	(33 973 457)	-	(486 230.0)	(631 252)
14 000	-	14 000	-	-	-	-	-	14 000	-	-	-	-	-	-
112 141 913	6 139 310	118 281 223	43 104 474	-	-	-	-	161 385 697	(48 085 997)	15 745 765	(32 340 232)	-	-	(23 151 410)
1 879 811 676	26 551 097	1 906 362 773	210 605 975	(658 092)	(24 789 529)	-	-	2 091 521 127	(842 402 885)	16 294 988	(826 107 897)	516 556	(2 057 023)	(45 193 293)

30 June 2016

Segmental analysis of property, plant and equipment as at 30 june 2016

[illegible]

Segmental Statement of Financial Performance for the year ended 30 June 2016

Prior Year		Current Year			
Actual Expenditure Rand	Surplus/ (Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus/ (Deficit) Rand	
Municipality					
69 006 314	-69 006 314	Executive & Council	1 446 000	70 764 068	-69 318 068
9 055 183	-9 055 183	Municipal Manager		15 571 452	-15 571 452
59 388 609	351 291 598	Budget and Treasury Office	477 577 542	56 027 737	421 549 805
69 509 412	-69 340 091	Corporate Services	119 798	82 504 504	-82 384 706
67 047 168	-65 280 405	Community and Social Services	5 674 852	63 958 696	-58 283 844
14 757 720	-14 674 993	Planning& Development	325 255	13 414 981	-13 089 726
7 952 468	-994 364	Infrastructure administration	3 490 797	16 135 618	-12 644 821
8 256 267	-8 256 267	Streetlights		9 514 910	-9 514 910
41 640 521	-41 640 521	Roads Transport/Roads		29 292 068	-29 292 068
187 220 100	-5 054 954	Water	194 097 218	200 311 297	-6 214 079
6 991 852	5 862 868	Waste Water Management/Sewerage	13 566 959	5 939 810	7 627 149
40 508 514	5 424 636	Waste Mangement /Solid Waste	55 182 911	56 573 133	-1 390 222
581 334 127	79 276 011	-	751 481 332	620 008 274	131 473 058
Gain (loss) on disposal of assets					-616 892
Municipal Owned Entities					
Other charges					
581 334 127	79 276 011	Municipality	751 481 332	620 008 274	130 856 166

† 30 June 2016

ON 123 OF THE MFMA: GRANTS AND SUBSIDIES RECEIVED FOR THE YEAR ENDED 30 JUNE 2016

Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and subsidies delay/withheld				Reason for delay/ withholding of funds	Did your Municipality comply with the grant framework in the latest Division of Revenue Act
	September	December	March	June	September	December	March	June	September	December	March	June		
National Treasury	1 600 000				224 000	347 000	211 000	818 000			None	None	None	Yes
COGTA	930 000				5 000	515 000	410 000				None	None	None	Yes
Public Works	578 000	868 000			231 000	15 000	217 000	983 000						
DWAF	3 125 000	6 250 000	3 125 000		1 847 000	5 003 000	3 309 000	2 341 000						
Dept Sports Arts and Cultural														
Dept Energy														Yes
COGTA	30 228 000	56 686 000	48 461 000		17 121 000	28 327 000	26 845 000	48 468 869	None	None	None	None		Yes

2016

Budgeted Financial Performance (Revenue and Expenditure) for the year ended 30 June 2016

Original budget	Adjustments budget (i.t.o s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds(i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance Actual Outcome against Adjustment Budget	Actual outcome as % of final budget	Actual outcome as % of original budget	Reported Unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
69 720 382	15 443 730	85 164 112			85 164 112	97 112 317			114.03%					
111 551 554	-1 000 000	110 551 554			110 551 554	102 597 218			92.80%					
3 621 889	-720 000	2 901 889			2 901 889	2 566 959			88.46%					
25 719 539	270 000	25 989 539			25 989 539	27 582 911			106.13%					
9 700 000	-1 700 000	8 000 000			8 000 000	10 497 271			131.22%					
23 850 000	15 125 000	38 975 000			38 975 000	41 709 966			107.02%					
3 500 000	-500 000	3 000 000			3 000 000	4 642 651			154.76%					
343 349 727	-45 716	343 304 011			343 304 011	343 489 097			100.05%					
1 657 100	-41 600	1 615 500			1 615 500	1 539 006			95.26%					
					0									
592 670 191	26 831 414	619 501 605				631 737 396								
178 041 720	-21 890 813	156 150 907			156 150 907	149 511 135			95.75%					
20 906 185	706 000	21 612 185			21 612 185	20 793 948			96.21%					
62 457 606	100 000	62 557 606			62 557 606	77 380 935			123.70%					
105 048 731	0	105 048 731			105 048 731	46 184 542			43.96%					
7 575 376	0	7 575 376			7 575 376	8 590 181			113.40%					
55 000 000	11 200 000	66 200 000			66 200 000	63 205 858			95.48%					
51 316 500	6 820 170	58 136 670			58 136 670	45 043 941			77.48%					
30 000 000	3 400 000	33 400 000			33 400 000	32 623 323			97.67%					
176 626 067	26 496 057	203 122 124			203 122 124	176 674 411			86.98%					
686 972 185	26 831 414	713 803 599			713 803 599	620 008 274								
-94 301 994		-94 301 994				11 729 122								
						119 743 936								
-94 301 994		-94 301 994				131 473 058								
						-616 892								
-94 301 994		-94 301 994				130 856 166								

	2016	2015
	236 845	236 845
	116 000	116 000
	4 199 120 301	5 083 449 307

Residential	per rand	0.001060	0.001060
		Less 17,000 on valuation	Less 17,000 on valuation
		plus a rebate of 20% if developed	plus a rebate of 20% if developed
Mining		0.07060	0.06660
Commercial		0.02176	0.02053
Other properties and right in land			
Sun City		0.03671	0.03463
Government properties and Tertiary Institutions		0.05300	0.05000
Industrial		0.00876	0.00826

Residential	Formal	4 437	3 242
Commercial	Formal	228	131
Churches	Formal	15	36

Refuse Removal

Residential Madikwe	26.94 plus VAT	23,60 plus VAT
Commercial Madikwe	54.98 plus VAT	47,19 plus VAT
Residential Mogwase	26.94 plus VAT	23,60 plus VAT
Commercial Mogwase	54.98 plus VAT	47,19 plus VAT

Sewerage

Residential Madikwe	25.96 plus VAT	25.96 plus VAT
Commercial Madikwe	51.81 plus VAT	51.81 plus VAT
Residential Mogwase	25.96 plus VAT	25.96 plus VAT
Commercial Mogwase	51.81 plus VAT	51.81 plus VAT
Industries	6,36 of 60% of water consumed	5,78 of 60% of water consumed

Water

Residential	0 to 6kl Free of Charges	0 to 6kl Free of Charges
	6.1 to 45kl 13.46	6.1 to 45kl 12,24
	45.1 kl and above 15.48	45.1 kl and above 14,08
Small Business and State Department	0 to 45 kl 13.46	0 to 45 kl 12,24
	45.1 kl and above 16.12	45.1 kl and above 14,66
Bulk Consumers	10.15 per kl	9,23 per kl
Industrial and large consumers	13.92 per kl	12,65 per kl
All water tariffs are excluding VAT		

Water Statistics

Number of users	22 930	22 576
Kl Purchased	14 101 446	13 317 004
Kl Sold	9 406 911	9 415 621
Free basic Kl	1 124 251	1 064 167
Kl Lost in distribution	3 570 284	2 837 216
Percentage lost in distribution	25	21
Cost per kl bought	4.676	4.258
Loss in distribution	16 694 648.92	12 080 866.00
Cost per kl sold	14.88	13.67
Income per kl sold	8.51	9.55
	519	463
	64	62

lowance of Councilors

Position	Total Package 2015/2016	Telephone Allowance	Data Facility	15% Pension	Medical	Travelling Allowance	SALARY	Total Package with Data Facility and Telephone Allowance
Mayor	787 061.00	-	3 600.00	74 741.18	17 280.00	196 765.25	498 274.57	790 661
Speaker	629 647.00	20 868.00	3 600.00	61 595.90	-	157 411.75	410 639.35	654 115
Executive	590 296.00	20 868.00	3 600.00	55 492.44	17 280.00	147 573.96	369 949.56	614 764
Executive	590 296.00	20 868.00	3 600.00	55 492.44	17 280.00	147 573.96	369 949.56	614 764
Executive	590 296.00	20 868.00	3 600.00	55 492.44	17 280.00	147 573.96	369 949.56	614 764
Executive	590 296.00	20 868.00	3 600.00	55 492.44	17 280.00	147 573.96	369 949.56	614 764
Executive	89 812.00	3 478.00	600.00	8 785.96	-	22 453.00	58 573.04	93 890
Executive	590 296.00	20 868.00	3 600.00	57 746.40	-	147 573.96	384 975.60	614 764
Executive	590 296.00	20 868.00	3 600.00	57 746.40	-	147 573.96	384 975.60	614 764
Executive	590 296.00	20 868.00	3 600.00	55 492.44	17 280.00	147 573.96	369 949.56	614 764
Executive	590 296.00	20 868.00	3 600.00	57 746.40	-	147 573.96	384 975.60	614 764
Executive	245 956.65	8 695.00	1 500.00	24 061.00	-	61 489.15	160 406.50	256 152
MPAC Chair	550 942.00	20 868.00	3 600.00	53 896.50	-	137 735.50	359 310.00	575 410
Whip	590 296.00	20 868.00	3 600.00	55 492.44	17 280.00	147 573.96	369 949.56	614 764
Councillor	237 236.00	20 868.00	3 600.00	21 005.64	16 884.00	59 309.00	140 037.36	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	21 086.40	16 264.80	59 309.00	140 575.80	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	158 157.33	13 912.00	2 400.00	15 471.92	-	39 539.36	103 146.08	174 469
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	21 086.40	16 264.80	59 309.00	140 575.80	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	158 157.33	13 912.00	2 400.00	15 471.92	-	39 539.36	103 146.08	174 469

Municipality
/375
for the year ended 30 June 2016

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Remuneration of Councilors

Position	Total Package 2015/2016	Telephone Allowance	Data Facility	15% Pension	Medical	Travelling Allowance	SALARY	Total Package with Data Facility and Telephone Allowance
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	20 953.92	17 280.00	59 309.00	139 693.08	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	21 086.40	16 264.80	59 309.00	140 575.80	261 704
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	3 600.00	21 086.40	16 264.80	59 309.00	140 575.80	261 704
Councillor	237 236.00	10 434.00	1 200.00	3 315.46	-	59 309.00	102 730.70	176 989
Councillor	237 236.00	20 868.00	3 600.00	23 207.88	-	59 309.00	154 719.12	261 704
Councillor	237 236.00	20 868.00	1 200.00	17 848.92	-	59 309.00	125 855.16	225 081
Councillor	138 387.69	12 173.00	2 100.00	13 537.93	-	34 596.94	90 252.82	152 661
Councillor	237 236.00	15 126.22	2 400.00	13 460.75	-	59 309.00	108 907.64	199 204
Councillor	197 696.67	17 390.00	3 000.00	19 339.90	-	49 424.17	128 932.60	218 087
Councillor	79 078.68	6 956.00	1 200.00	7 735.96	-	19 769.68	51 573.04	87 235